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April 30, 1973

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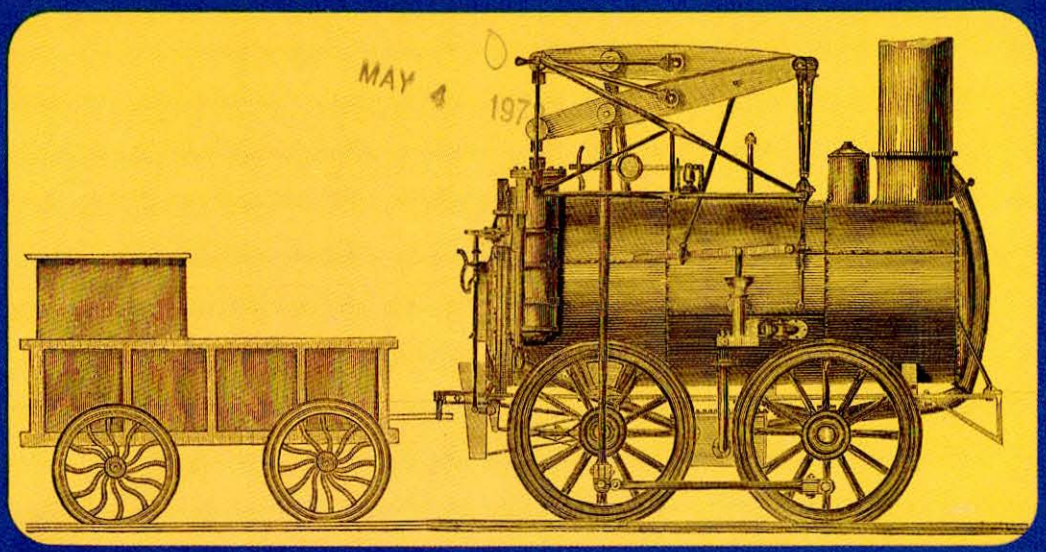

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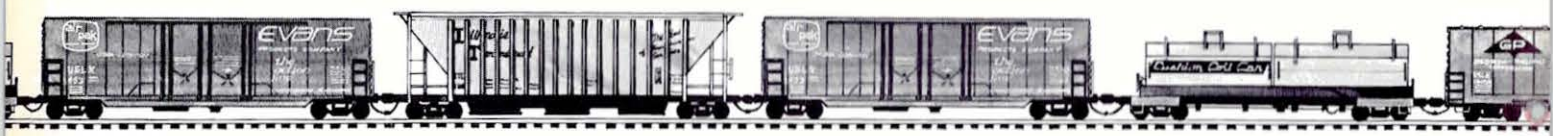

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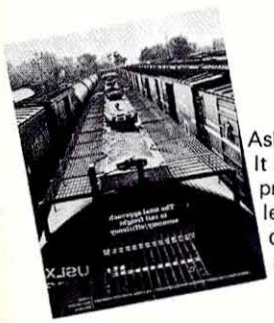

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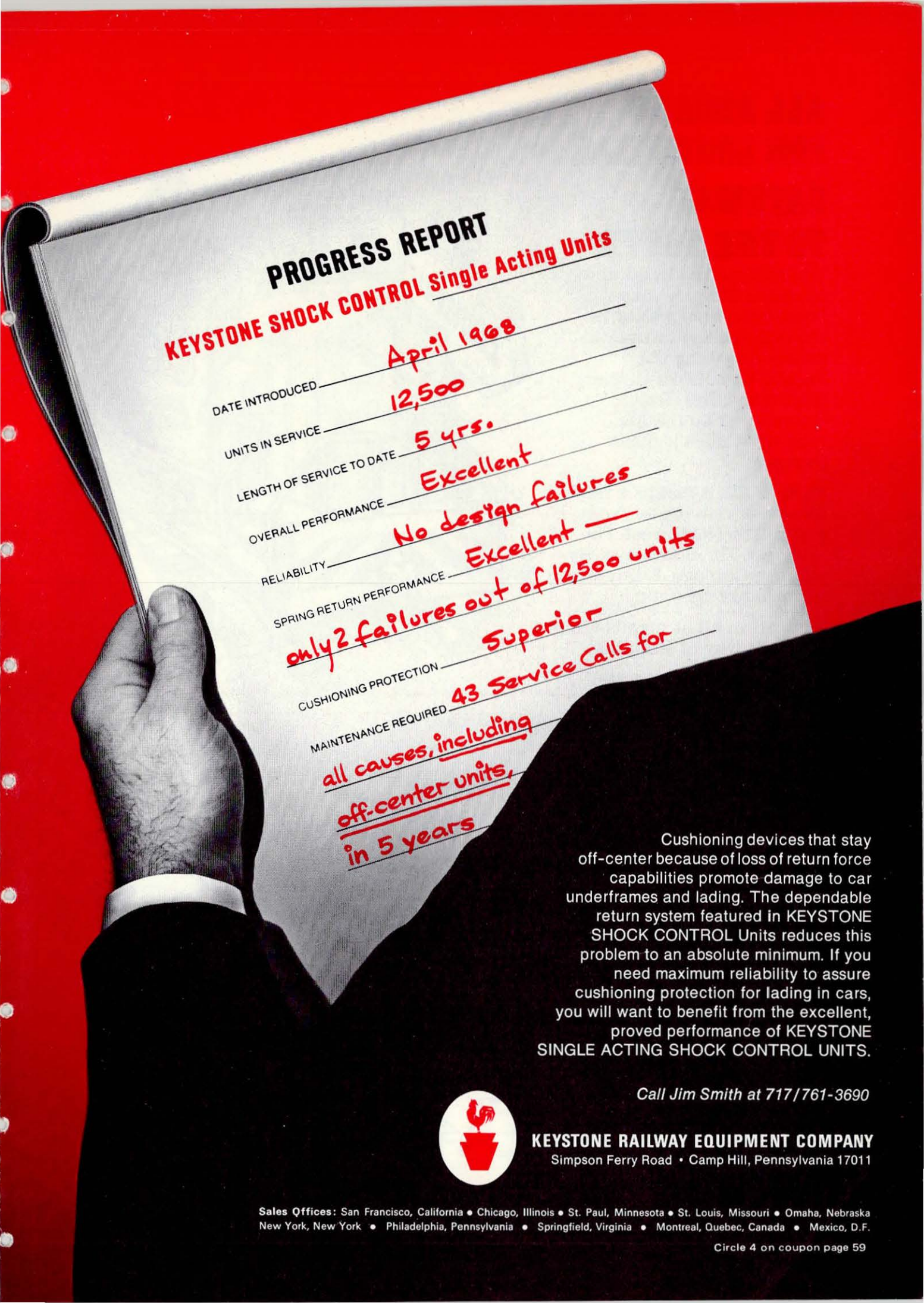
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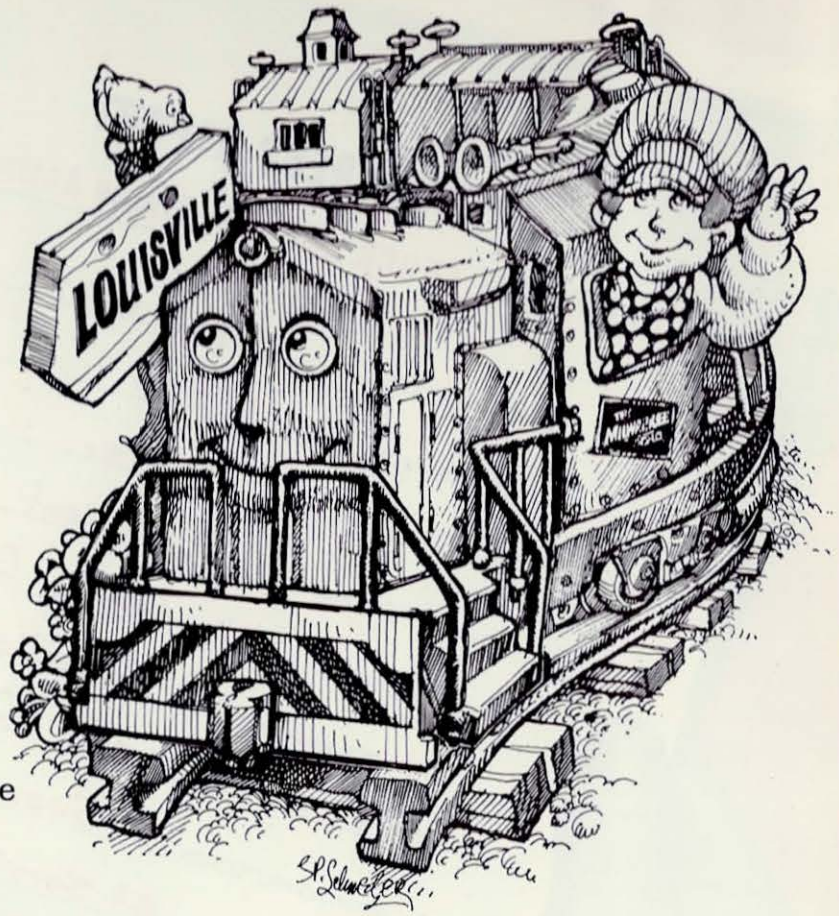

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Inside

LUTHER MILLER

A SHORTAGE OF PROPHETS

Fifteen months ago, carloadings were in a slump and very few people were worried about an impending car shortage. A man who *was* concerned was Railway Age Mechanical Editor Fred Houser. Writing in Railway Age's 1972 Outlook issue, which was dated Jan. 31, Houser was reminded of "the observation of Sir Winston Churchill concerning early Britons who relaxed as they watched Danish scout boats disappear into the North Sea fog. Soon the vessels were to return as the spearhead of a successful invasion. The Britons, said Churchill, concluded the danger had passed by reason of the fact that it had not yet arrived."

Three months later, Houser thought he detected a clear danger signal. "Agriculture Secretary Earl L. Butz has just returned from Russia where he predicted that an agreement calling for yearly export of $200 million in feed grains should be completed before President Nixon visits Moscow next month," said Houser in an article published April 24, 1972. "That movement could start simultaneously with the shipments of this year's harvest which starts in late May in the Southwest." The AAR, he added, was starting to worry.

But if the handwriting was on the wall, it was either misread or ignored. Early in the summer, Business Week, which consistently does the best railroad reporting in the general business-publication field, had its scouts survey the situation—and concluded on June 24 that there would be "no railroad car shortage this year."

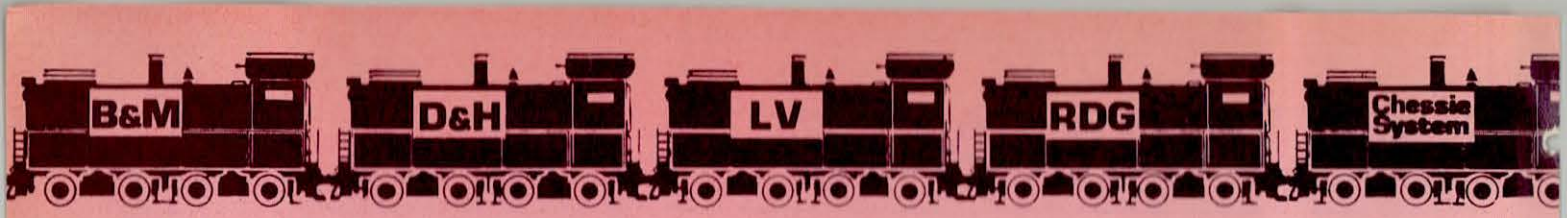
The situation rapidly changed after that and by Aug. 26 BW was saying, "A freight car shortage of monumental proportions is looming." This time, BW proved to be all too good a prophet.

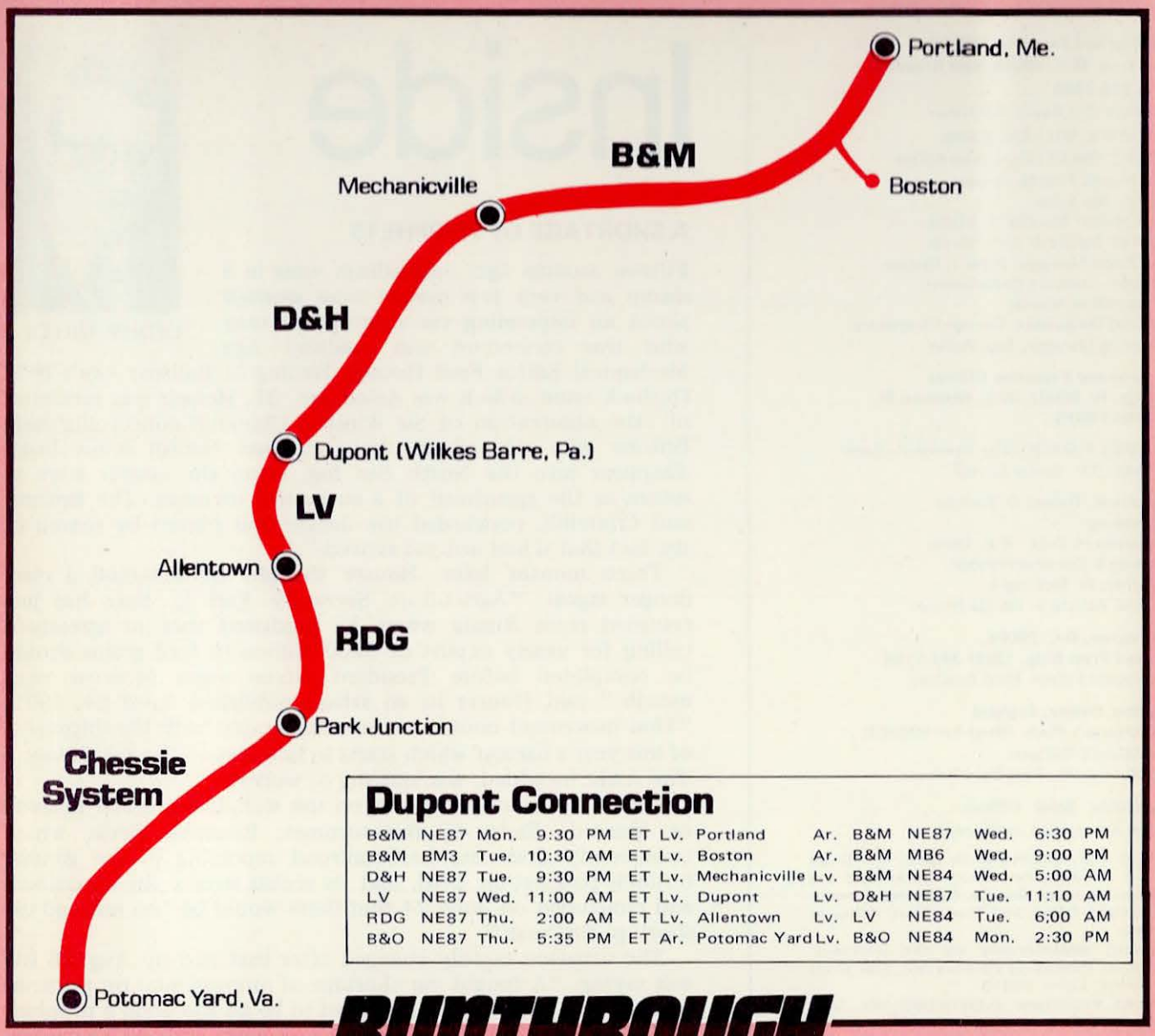
What has happened since then—and what is likely to happen in the next few months—is the subject of a special report in this issue prepared by Senior Editor Gus Welty and Associate Editor Bob Bartley (p. 26).

While they may have been caught with their car fleets down (an eventuality which the industry has repeatedly warned Congress could and would come about, in the absence of the kind of equipment-financing aid contemplated by the ASTRO report), railroads last year did a more than creditable job of utilizing equipment that was available. Figures just released by the AAR show that transportation output per car reached an all-time high of 1,481 net ton-miles per day in 1972—an increase of 4.4% over the previous record set in 1969 and 7.6% above the 1971 average.

AN IMPORTANT MILESTONE FOR D&H

The Delaware & Hudson is not the oldest railroad operating in the U.S.; Baltimore & Ohio holds clear title to that distinction. But D&H is the oldest continuously operated transportation company in the U.S.; and it's a lively 150-year-old that is the subject of this issue's cover story (p. 14).





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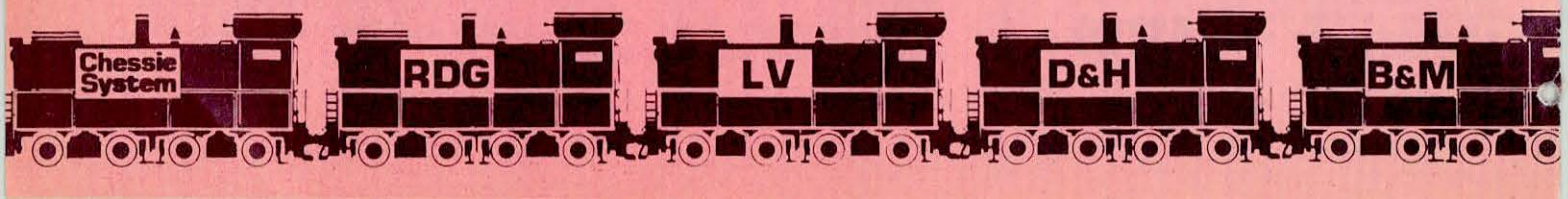

RAILWAY AGE

APRIL 30, 1973

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Delaware & Hudson

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The photograph of a northbound D&H train passing under EL's Starrucca Viaduct at Lanesboro, Pa., was taken by Jim Shaughnessy. The engraving of the Stourbridge Lion is from "The History of the First Locomotives in America" by William H. Brown (1871).

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Short and Significant

CLASS I ROADS REPORT BIG GAIN IN NET

Class I railroads reported ordinary net income in 1972 of $500 million, up 43% from 1971's $351 million, the AAR announced April 18. This gave the industry a rate of return on net investment of 2.95%, compared with 2.47% in 1971. The AAR noted that this was the fifth consecutive year in which earnings have been under 3%, although the ICC has said the industry needs a 6% level to stay healthy. Operating revenues in 1972 reached an all-time high of $13.4 billion, a gain of 5.6% over 1971. Operating expenses, taxes and rents climbed by 4.8%, from $12 billion to $12.6 billion. Seventeen of the 68 Class I roads operated at a net loss in 1971. Twelve of these were in the East and five in the West.

PENN CENTRAL REDUCES ITS LOSSES

Penn Central has reported a net loss of $9,532,786 for March, down 47% from the $17,989,300 loss recorded in March 1972, the trustees announced April 16. PC's first-quarter net loss was $55,248,768, a decrease of 15.2% from the $65,175,929 deficit for the comparable 1972 period and a decrease of 40% from the 1971 first-quarter loss. All losses are reported on a fully accrued basis and make provision for certain rents, taxes and interest payments which have been deferred by the reorganization court. PC's operating ratio in March was 79.33%, compared with 84.68% in March 1972 and 90.58% in March 1971.

SOUTHERN MAY ELECTRIFY 338 MILES

Southern Railway System is considering a $200-million project to electrify a 338-mile line between Cincinnati and Chattanooga. If undertaken, the plan would be the biggest rail electrification project since the former Pennsylvania converted its lines between New York, Washington and Harrisburg, Pa., in the 1930's. Disclosed in a laconic one sentence in the road's annual report, the Southern project is currently the subject of discussions between the carrier and General Electric and three utility companies. According to Southern Executive Vice President L. Stanley Crane, the electric utilities—TVA, Kentucky Utilities Co., and Cincinnati Gas and Electric—would make the necessary capital investment to build and maintain the overhead wire system, while the railroad pays for the electricity.

NEW METROLINER TRUCKS TO BE DEVELOPED

FRA has awarded a two-year, $3,784,869 contract for the design and construction of improved Metroliner trucks to LTV Aerospace Corp.'s Ground Transportation Division. LTV will develop four truck prototypes and after road tests will supply 96 trucks for the Metroliner fleet.

FIRM ORGANIZED FOR U.S. ELECTRIFICATION

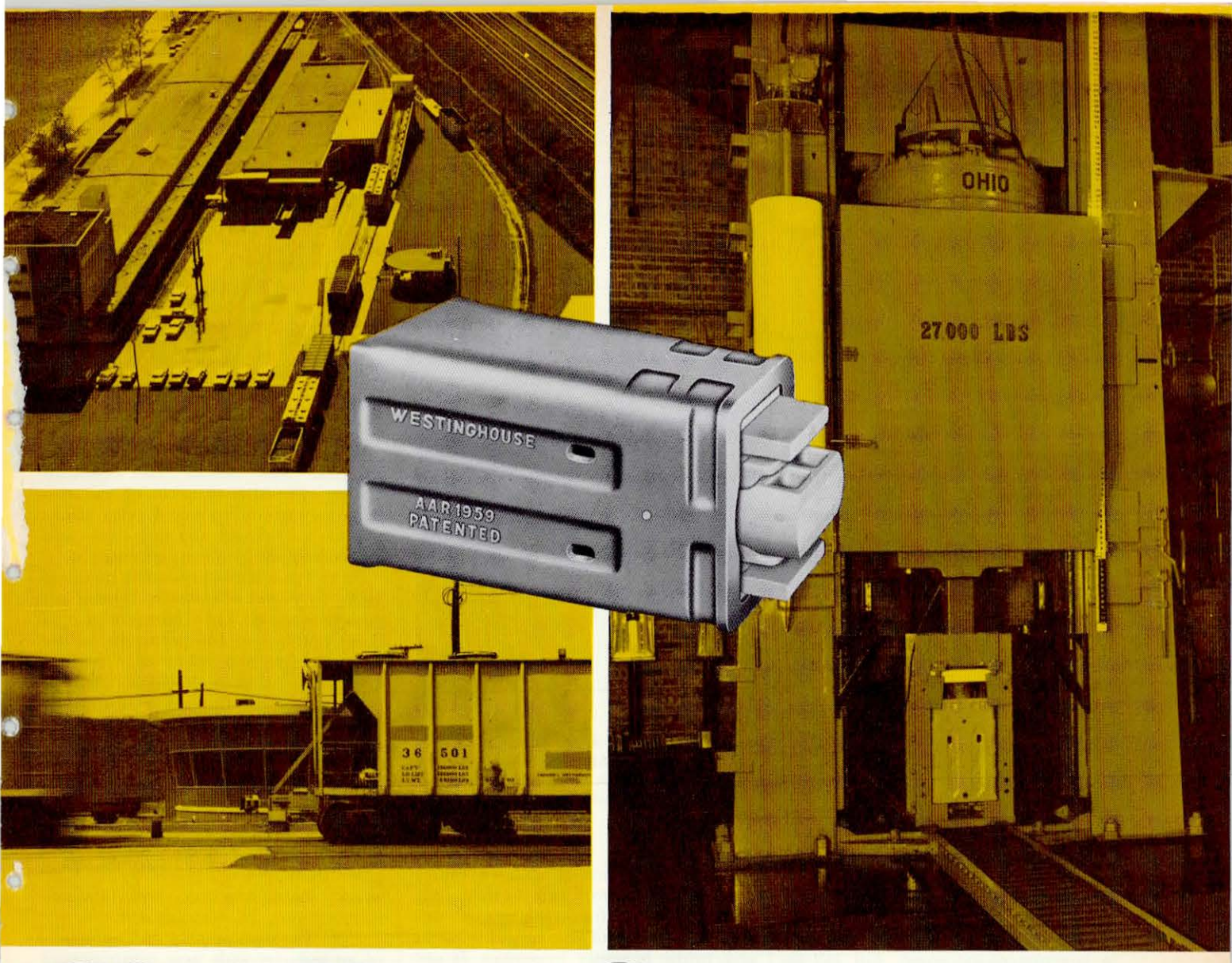
Electrack, Inc., has been formed by General Cable and British Insulated Callender's Construction Co. Ltd., to engineer, furnish and install railway electrification systems in the U.S. BICC has been a major participant in electrification of British Rail; both parent firms participated in the installation of the world's first 50,000-volt overhead catenary on General Electric's 3½-mile test track at Erie, Pa. The high-voltage alternating current system is seen as well suited for U.S. installations and is now going up over Arizona's new Black Mesa & Lake Powell Railroad. Clifford G. Moss of BICC is president of Electrack.

DOT WANTS BARGE-SHIPPING-LAW CHANGES

DOT has sent Congress recommended changes in barge shipping laws, including repeal of the rule that prohibits mixing loads of dry bulk commodities with regulated commodities in the same tow. DOT also calls for repeal of the rule which bars more than three types of exempted bargeloads of commodities from being in tows containing up to 40 barges. The study, ordered by Congress in December 1970, recommends continuation of unpublished rates but contains the first tabulation of rates charged for barge movements of exempt commodities over the Mississippi system and Gulf Intracoastal Waterway. Surface transport modes, including regulated water carriers, in their Surface Transportation Act proposals, have urged Congress to require ICC to have exempt dry bulk carriers publish their rates and charges. DOT's sanction of the continuation of unpublished exempt rates is thus a blow to the regulated water carriers.

C&NW LOOKING FOR MORE OWNERS

At some point later this year, employee-owned Chicago & North Western plans a move designed to broaden the base of employee ownership. Ways and means are still under study, but President Larry S. Provo says one possible method would involve "a substantial split of existing shares, following which a second offering would be made to employees." And how is C&NW doing? Says Provo: The period of employee ownership has been a period "of solid accomplishments. But the real challenge lies ahead of us. The strength of our investment depends upon how well all of us meet that challenge."



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RAILWAY AGE
NEWS

Barnett on Northeast crisis: "We can handle it"

"Let's not panic, let's just calmly get on with the job. As we say on the Union Pacific, 'We can handle it.'"

With these words, Union Pacific Chairman Frank E. Barnett unveiled another major "plan" for coping with the Northeastern railroad crisis. (A comparison of the UP plan with the Hartke, DOT and ICC plans appears on pp. 56-57.)

Barnett's forum was an all-day special meeting called by the Transportation Association of America in Washington April 5 to study the problems posed by the bankruptcy of the Penn Central and five other major eastern carriers.

There was broad agreement at the meeting that the private sector *can*, as Barnett suggested, handle the rescue of the Northeast—though with considerably more Federal participation than was suggested by DOT (RA, April 9, p. 10).

Barnett proposed the organization of "a government-sponsored, but rail industry-owned Federal National Railway Association to provide funding to Northeast operating rail carriers for system restructuring and plant rehabilitation. The funding would be borrowed by FNRA from private sources of investment loan capital and guaranteed by a wholly government-owned organization, the Railroad Reconstruction and Finance Corporation, whose guaranty commitments would in turn be backed up by the U.S. Treasury." The Barnett plan also contemplates that "assistance would be provided through FNRA Federally backed financing for labor costs incurred by reason of restructuring changes." Barnett noted that neither the DOT nor ICC plans "offers any specific solution to the difficult but necessary matter of making adequate provision for employees adversely affected."

Another facet of the Penn Central problem not dealt with in the DOT plan—the fate of PC's mostly-passenger Northeast corridor lines between Washington and Boston—came in for considerable attention at the TAA meeting. Commenting on DOT Secretary Claude Brinegar's exposition of the DOT plan, Southern President W. Graham Claytor, Jr., observed, "I think he's laid out a very nice blueprint of an arch bridge that will get us from here to there, but I'm very much afraid that he's left out the keystone. And the keystone of an arch bridge is pretty important. It will fall down if you don't have it. The keystone, in my opinion, is a Federally-funded solution to the problem of operating the Northeast rail corridor."

UP CHAIRMAN BARNETT wants a government-sponsored, railroad-owned Federal National Railway Association—and an RRFC to guarantee funding.

A similar note was sounded by AAR President Stephen Ailes April 17. While expressing confidence that "solvent railroads are prepared to cooperate in the achievement of a private enterprise solution and to undergo reasonable entrepreneurial risks toward that end," Ailes added that "no other railroad has indicated an interest" in acquiring the Corridor right-of-way and "no such offer can be expected." In a statement filed with the ICC, he suggested either purchase or long-term lease of the corridor by the Federal government.

Barnett also suggested Federal ownership of the Corridor lines.

Specifically, Barnett proposed a two-part legislative program to deal with the Northeast crisis.

Part 1 would involve "the organization, pursuant to act of Congress, of a government-sponsored but industry-owned corporation to be known as the Federal National Railway Association (FNRA) with anti-trust immunity to effectuate. . .long and short term objectives."

FNRA's long-term objectives would be:

"(1) The formulation of a Northeast Regional Rail Service Plan contemplating the rationalization of rail systems through mergers and acquisitions of lines of railroad and properties and line downgrading and abandonments;

"(2) The rehabilitation and improvement, by means of privately funded but government-backed borrowings. . .of those portions of the properties of the Penn Central and other rail facilities designated in such Regional Plan as necessary to the furnishing of ongoing rail services and as such Plan shall contemplate be rehabilitated or improved;

"(3) The subsidization of the operation of such lines of railroad, if any, as may be abandoned by any carrier without ICC authorization. . .which have nonetheless been designated by the Railroad Reconstruction and Finance Corporation. . .as essential; and

"(4) The development and operation of an industry-wide new computerized system for national rolling stock control and utilization."

FNRA's short-term objectives, as envisioned by UP, would be "the initiation of the Northeast Regional rationalization and rehabilitation studies. . . with an intensive review of the Penn Central's Northeast Corridor to determine the feasibility of partially ameliorating, within a short range time frame, the Penn Central's reorganizational and financial crisis by means of a sale of its corridor properties to a Federally owned corporation."

Part II of the UP's proposed legislative program would involve "the organization, pursuant to act of Congress, of a Federally owned and controlled corporation to be known as the Railroad Reconstruction and Finance Corporation (RRFC) to furnish a government vehicle for the effectuation of. . .objectives, both long and short term."

RRFC's short-term objectives: "If and when any court supervising the reorganization of any carrier in the Northeast Region shall determine that (1) the cash flow condition of such carrier is critical to the point of representing a substantial threat to the con-

(Continued on page 56)

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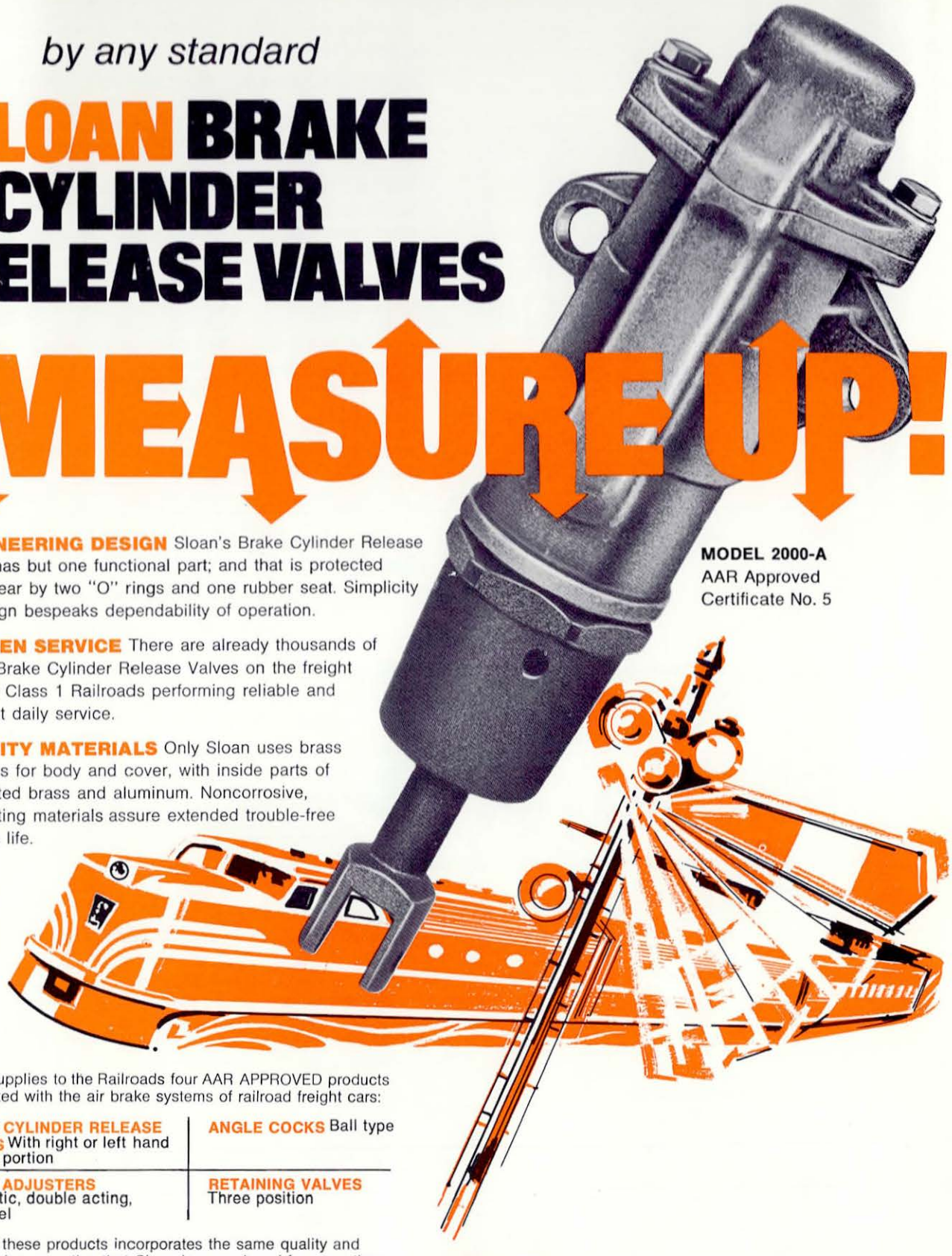

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Circle 9 on coupon page 59

MP/T&P building for TOFC/COFC's future

Missouri Pacific/Texas & Pacific are giving top priority to a doubling of TOFC/COFC handling capacity at New Orleans—as New Orleans looms as one of the biggest contributors to system TOFC/COFC growth. Last year, for example, MoPac showed gains of 28% in piggyback loadings and 40% in container loadings—with New Orleans well out ahead of the system averages. And this year? Says Charles T. Groton, Jr., president of Missouri Pacific Intermodal: "Our combined piggyback/container loadings thus far are running 62% ahead of the same period a year ago. According to our market forecasts, it's possible that container traffic to and from the port might triple within another year."

Two factors work together to account for the optimistic projections. One is the increase in land movement of containers between New Orleans and the West Coast. The second is tied to the container-service expansion plans of many of the steamship companies serving the port.

In its New Orleans project—targeted for early-summer completion—MoPac/T&P will double the size of the trailer/container storage area, install three new TOFC tracks and expand the ramp, double the length of a COFC track and acquire mobile loading/unloading equipment to supplement the existing gantry crane, and install edp equipment to speed handling of paperwork associated with intermodal traffic.

Evans to lease anti-L&D devices

A leasing program that enables railroads to lease damage-prevention devices is being introduced by Evans Products Co. The devices range from two-piece aluminum bulkheads to the newest Dual Air Pak units. Leases vary from three, five or seven years, with options for extensions at reduced rates or outright purchase of the devices. Installation materials, such as crane rails and floor tracks, are sold separately since they become permanent parts of the car.

A maintenance contract for the devices is also being offered, at a cost as low as $15 a month. Evans operates eight service centers throughout the U.S. where repairs to the devices, including preventive maintenance, can be performed. Out-of-service time for the cars during device repairs would normally be only two or three days.

Lines on Labor

GUS WELTY

THREE VOICES, ONE SONG?

Norfolk & Western President John P. Fishwick said it right: "Never before has it been so important that the agents of management, labor and government work in harmony." Fishwick was talking to an eastern-region meeting of Federal Railroad Administration field representatives, and he was talking about a lot of subjects—operating rules and standards, safety, training. And survival. He talked about continuing operational changes, and he made these points: "Operating rules and standards determine how railroads work, how efficient that work is, and the cost of providing transportation service. To a large extent, the demands of the shipping public can be met effectively only insofar as Federal regulations and the cooperation of railroad labor unions permit. All of us know that present operating rules need review to accommodate changes in equipment design for greater safety and for more efficient service. New rules, no doubt, are also needed. But it's clear to me that in the present crisis atmosphere in the rail industry, the regulatory bodies and the unions share with management a heavier burden than would be required in happier times. The survival of whole sections of rail operating territories hangs by a thread. So it is incumbent upon the regulatory agencies to be especially conscious of the welfare of the industry and to be especially concerned that rules changes and new rules work to the welfare and not to the detriment of the industry. There is a cost/benefit ratio or trade-off that should be kept in mind by all concerned in the review and change of operating rules."

WHAT CAN BE DONE, WHAT SHOULD BE DONE

As one example of positive action, Fishwick cited changes in the Power Brake Law to speed the interchange of runthrough trains: This action, he said, "is helping us retain traffic that might otherwise shift to trucks and it enables us to compete for new business. We believe [the change] preserved adequate safety standards while it enhanced our ability to offer improved service."

Safety? NW's president touched on the industry's long-ago action to develop uniform rules and standards—and on the present need for common objectives and for FRA's encouraging "the advice and cooperation of the industry and labor in redrawing the regulations of safe and efficient work."

And training? Training in the handling of highly sophisticated equipment "has not kept pace with progress made by manufacturers. . .No railroad can solve these problems of lack of training by itself. Here, too, we need the help and cooperation of labor organizations and the FRA."

Then Fishwick came back to a restatement of the underlying theme—that all railroads are partners as well as competitors, that the future of the national rail system is at least in part dependent upon closer cooperation of railroads in moving traffic, and that "both the FRA and rail labor can be a cohesive, unifying force that encourages such cooperation." Just about everybody recognizes and gives some kind of attention to those first two elements—but it's the third and no less vital element that's sometimes overlooked. This time around, it wasn't overlooked. Or to say at the end what was said at the beginning: Jack Fishwick said it right.

Delaware & Hudson: Alive and

By FRED N. HOUSER,
Mechanical Editor

Three boy scouts reported to their scoutmaster that their good deed for the day had been helping an old lady across the street. "It took three of you to get her to the other side?" asked the incredulous leader. "Yes," replied one of the boys. "You see, she didn't want to cross that street."

The grand dame of all American transportation companies could soon be in for much the same sort of unsolicited solicitude as she celebrates her 150th birthday. Solvent and still fully capable of plotting her own course, the 718-mile Delaware & Hudson might soon be the victim of treatments being concocted by a host of doctors, some self-appointed, who are seeking cures for a widespread sickness in Northeast railroading.

● **Today, an island of solvency.** Not that D&H, which had $41.8 million in revenues last year, does not also have some of the generalized Northeastern symptoms. Short hauls, high taxes, intense superhighway competition, loss of coal traffic following new environmental restrictions, and major changes in traffic patterns in the wake of the Penn Central merger have all taken their toll. Even 1972's tropical storm Agnes has had a profound effect.

Up until now, however, D&H has been reasonably successful in confronting these problems. It netted just over $1 million in 1972. Being an island of solvency in a sea of bankruptcy certainly hasn't been easy. Whether it can survive the medicine now being formulated by the Federal Railroad Administration, Interstate Commerce Commission, Congress, Penn Central trustees and others involved with the D&H's half-dozen bankrupt neighbors (and connections) is the question confronting D&H's youthful president, C. Bruce Sterzing, Jr. He summarizes the situation: "D&H is better off today than it was last year. We have the capital and capability to operate indefinitely without being a burden on the taxpayer." As it has generated something in excess of $40 million in each of the past several years, D&H has a consistently positive cash flow which has met steadily rising costs and which services the conservative $32-million debt, about half of which is equipment obligations.

● **Tomorrow?** The question right now: Is there really a tomorrow for today's 150-year-old Delaware & Hudson? Much of that tomorrow might not be of D&H's doing. Recently Sterzing, concerned about the possible early demise of the Lehigh Valley, wired legislators and governors:

"We are. . .concerned with the threat to the other smaller eastern rail carriers such as Delaware & Hudson if the recent petition by the Lehigh Valley trustees to shut down is approved. Such a shutdown would have a disastrous domino effect on D&H and other roads which connect with LV and are dependent upon it for the continued interchange of traffic in competition with Penn Central.

"D&H does not ask for government aid. At this time D&H continues as a solvent, taxpaying (rather than tax consuming) company. As a percentage of revenues, D&H pays more taxes each year than any major railroad. However, the continued solvency of D&H, the stability of its employees' jobs and the continuity of its customer service is intertwined with the continued operation of our neighbor railroads, most of which are unfortunately in bankruptcy—Boston & Maine, Erie Lackawanna, Lehigh Valley, Reading, and Jersey Central. All of these smaller roads have far better prospects for successful reorganization as corporate entities than Penn Central, and together these smaller roads form through routes to and from all parts of the nation.

"With government aid of far less magnitude than would be required to prop up Penn Central once more, these smaller roads could be restored to viability provided PC is reconstituted into two or more smaller systems which would restore competitive balance to the East and restore the complementary route system which existed previously. . ."

● **In the thick.** Not that D&H has until now been insulated from the remainder of Northeast railroading. It is the surviving wholly-owned subsidiary of Norfolk & Western's ICC-imposed, five-year-old participation in rationalization of the region's rail problems. In 1968 both D&H and Erie Lackawanna came under NW control through Dereco, a holding company intended primarily to isolate the new owner's resources from EL's unwieldy debt structure. For four years, until Agnes-generated floods swept the Erie into bankruptcy in June 1972, NW steady increased the coordination of the two properties. Even today D&H relies on EL's Cleveland-based IBM 360 computer system, having only data terminals in its Albany, N.Y., headquarters and at other points along the mainline which stretches from Montreal to Wilkes-Barre, Pa.

It was when NW wrote off its $57.7 million investment in Erie and D&H was

GRADES ON HEAVY-TRAFFIC SEGMENTS of

suddenly back on its own that Sterzing, an alumnus of NW's legal department, moved into the president's chair at the historic Plaza headquarters building in Albany. Things were far from rosy. D&H revenues had dropped from $46.1 million in 1970 to $44.7 million in 1971 and were destined to be down by almost $3 million more at the end of 1972.

D&H had taken its lumps in that period. In the late summer of 1970 Niagara Mohawk had converted its Albany electric generating station from bituminous coal to fuel oil, costing D&H three unit trains weekly and $2 million in annual revenues. A year later Republic Steel closed its iron ore mine at Port Henry, N.Y., costing D&H over $1 million in yearly traffic. A lengthy

lively after 150 years

D&H require some helpers such as this pair of Alcos shoving against one of road's wide-vision-cupola cabooses.

strike at National Lead's ilmenite (titanium ore) mine on a D&H branchline in the Adirondacks resulted in a permanent substantial drop in traffic volume. Paper, which is the biggest single slice of D&H traffic, was in the doldrums throughout 1970 and 1971, but did start to make a recovery in 1972. It is going great in 1973.

● **The real key.** Originated or terminated traffic, however, is not the real key to D&H survival. More than 60% of D&H freight is overhead and extremely vulnerable to diversion. Sterzing notes that service quality is so crucial that D&H has an assistant vice president, service, who devotes all his attention to coordinating interline through services. The road participates in a series of runthrough operations with its major connections—Erie Lackawanna and Lehigh Valley. In addition to runthroughs for western traffic, D&H and LV are cooperating with Baltimore & Ohio, Reading and Boston & Maine in a through service that, since January, shaves a full 24 hours off previous schedules between Potomac Yard, Va., and Portland, Me. (RA, Feb. 26, p. 19). A brand new 1,000-foot track connection was built between D&H and LV at Dupont, Pa., to make this possible.

Dependence on bridge traffic makes necessary an extra big sales force; the compact D&H has 15 off-line offices, including one in San Francisco which was reopened only last January. Sterzing notes that it is vital that close contact be maintained with many shippers who have absolutely no operations or customers in D&H territory, but who route via D&H because of the speed and reliability which it strives so hard to achieve.

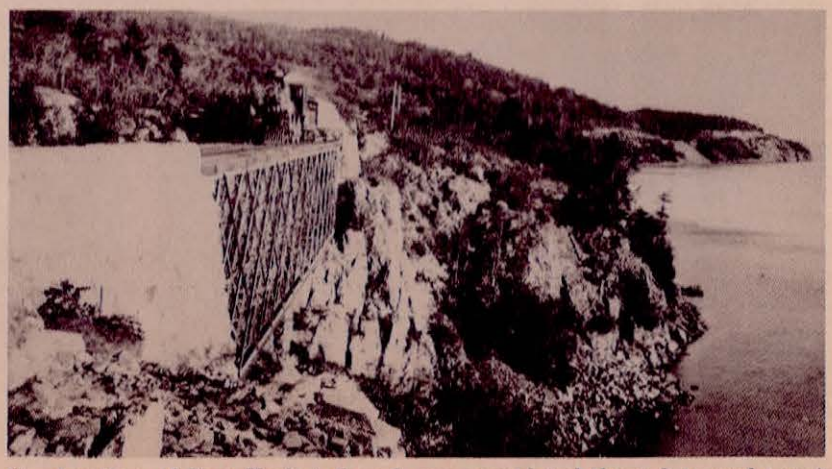
● **Making do.** Austerity was the word all over D&H as revenues were bottoming out last year. Employment in 1972 was down more than 20% from 1969; in the wake of wage increases employment costs were down hardly at all. Fortunately there was a heritage of good maintenance in the superb transportation plant that had been fashioned by President Leonor F. Loree in the Teens and Twenties to move anthracite coal with maximum efficiency and which had been tailored to D&H's new role as a bridge carrier during the Thirties and after World War II.

"Concentrated effort did pay off,"

1867-1907

D&H becomes a railroad

Thomas Dickson, president from 1869 to 1884, pushed construction and acquisitions to essentially complete D&H.



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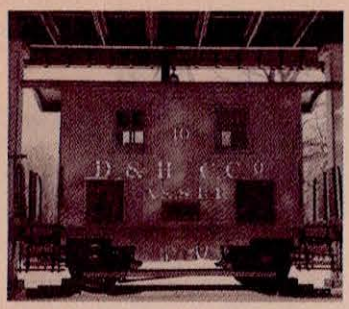

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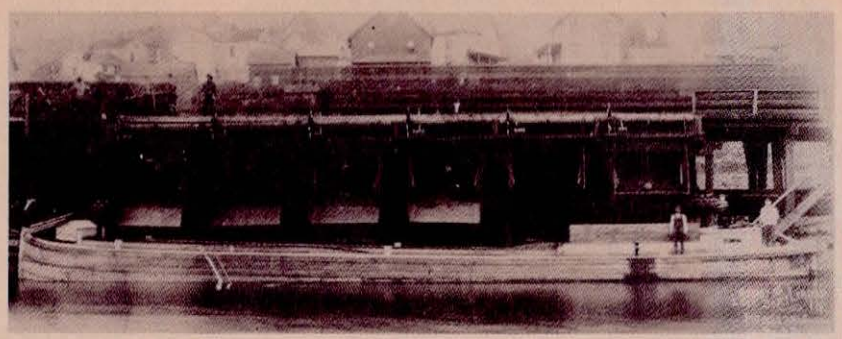

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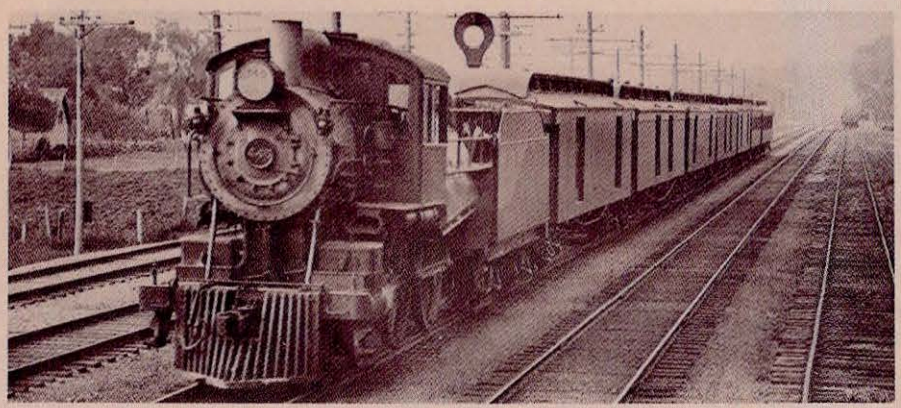

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"Concentrated effort did pay off,"

says Sterzing now, looking back on the darkest days of 1972. October represented a considerable turnaround and January 1973 was the first January since 1969 when D&H had a net. It turned out that 1973's first-quarter net of over $300,000 was the first black figure for that period since 1970.

Through the bleakest months of 1972, D&H instituted a series of service improvements to hold the business that might go elsewhere. "We even attracted some new traffic," says Sterzing proudly. The compact road's service is readily controlled from the Albany headquarters and this is literally the case with the pair of adjacent CTC machines which cover virtually all of the 373-mile single-track mainline from Wilkes-Barre to Rouses Point, N.Y. D&H reaches Montreal over its own 28-mile Canadian subsidiary, the Napierville Junction Railway, and then via Canadian Pacific trackage rights.

● **North of the border.** Canada has always been important to D&H since its rails connected with that nation 98 years ago. In addition to the dozen paper and paper products plants directly on D&H lines in upstate New York, the road has been a consistent major hauler of Canadian newsprint received from Canadian Pacific at Montreal and from Canadian National at Rouses Point. In 1972, D&H handled 277,547 carloads of freight, of which 83,223 were paper products.

The importance of newsprint traffic is emphasized by the daily RW-6 (Rouses Point-Wilkes-Barre) through freight, the largest single paper-handling train on the road. "The less a railroad classifies newsprint, the better," observes Sterzing, adding that RW-6 on its 17-hour schedule over the length of the line is handled with virtually no switching. When it comes to careful handling, he adds, D&H finds no disadvantage in having only medium-sized flat switching yards in which to do its classification. It does, however, interchange the largest single segment of all its traffic to and from the Boston & Maine through the B&M-operated hump yard at Mechanicville, N.Y., near Albany. Of 783,322 loads and empties interchanged by D&H last year, 229,351 of them were with B&M.

Maine is another major source of newsprint traffic and this, of course, normally is delivered by B&M. There are about twice as many loads turned over to B&M by D&H as move in the opposite direction. "We are really a New England railroad and so consider ourselves," explains Sterzing, noting that this is the case despite the fact that D&H itself operates only a few miles of line in southwestern Vermont.

"B&M is the heart of New England railroading," he continues. "If it goes, that area will have lost strategic routes. B&M has more promise than most Northeastern railroads in bankruptcy." Sterzing has been a consistent champion of a restructuring of the Northeast which would preserve rail competition, viewing with unease Penn Central proposals such as those in B&M's reorganization hearings that the B&M mainline in western Massachusetts be abandoned in favor of PC's competitive, hillier Boston & Albany.

Sterzing notes that ICC's Administrative Law Judge von Rinteln subsequently stated that "there is reason to believe that in the absence of competitive services between the Hudson River gateways and the Boston-Worcester area, the traffic presently moving over these lines would diminish due to shipper efforts to find other competitive services.

"Shippers very much prefer intramodal rail competition," von Rinteln continued, "because competitive railroads tend to provide better service and because they tend to be less arbitrary in rate making, particularly where they are hauling traffic which does not lend itself to truck transportation. Shippers instinctively react to avoid making themselves entirely dependent on a single carrier. In northern New England their probable response to a Penn Central line-haul monopoly of the Hudson River gateways would be to divert additional traffic to the Canadian railroads—and, of course, to look for still more new ways of economically diverting rail traffic to trucks."

C. Bruce Sterzing, Jr., 15th president of D&H, inspects line from his business car.

● **D&H position.** "Our position is naturally motivated by our desire to stay in business," Sterzing recently told Federal Railroad Administrator John W. Ingram. "The Penn Central trustees' task, of course, is to reorganize PC, rather than rail transportation generally. But PC is so large that the trustees' proposals are, in fact, proposals for the future of rail transportation in our territory. Since the proposals necessarily have such scope, they are off target in that they take into account the problems of PC, but not the problems of railroads other than PC, or of the public which must depend on those railroads."

D&H certainly has not thrown in the towel, nor has it pulled back to await some inevitable denouement that might not be of its own making. This year's track improvement program is budgeted to include installation of 8 miles of welded rail and 78,000 new crossties. It is planned to lease 150 new 50-foot, wide-door cushioned box cars for paper traffic; bids for them are currently being appraised.

The locomotive overhaul program is proceeding with emphasis on repainting whenever possible. D&H rates the appearance of its rolling stock and plant generally as very important in high morale. Sterzing notes that while 1972 was not the brightest of years, D&H apparently had the best safety record of any U.S. Class I railroad, and credits this to the interest of employees in their work.

While the car shop at Oneonta, N.Y., was virtually closed down last year, there is a program there now for upgrading 40-foot box cars. This is financed by incentive per diem and is returning to service cars which aid in reducing D&H's per diem payouts.

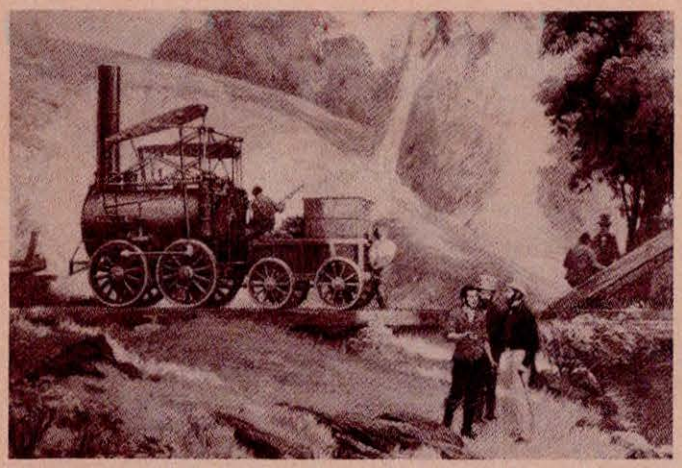
● **Anthracite days.** Time was when the big hopper car fleet, major component of the biggest single anthracite coal hauling system in northeastern Pennsylvania, made for a major per diem debit position. A quarter century ago, anthracite revenues were still over 20% of D&H gross and bituminous coal accounted for nearly 20% more. During the 1950s bituminous coal moved into top position as the use of anthracite plummeted. It was not until environmental restrictions cut into bituminous coal usage for power generation that this segment of traffic virtually disappeared, and that in just the past few years. Anthracite now accounts for just over 2% of D&H revenues. During this period, D&H's hopper car fleet has been steadily reduced.

All this is a far cry from April 23, 1823, when the Delaware & Hudson Canal Company was chartered by the State of New York to build a transportation system for the movement of Pennsylvania anthracite primarily to the New York City area. Originating in the Susquehanna watershed at Carbondale, Pa., the projected 100,000 tons of coal annually would be moved across the Delaware River basin and finally into the Hudson River near Kingston, N.Y. The 16 miles from Carbondale to Honesdale, Pa. (on a Delaware tributary), involved surmounting the 950-foot ridge of the Moosic Mountains and exceeded the canal technology of that period (and of all subsequent periods, it turned out).

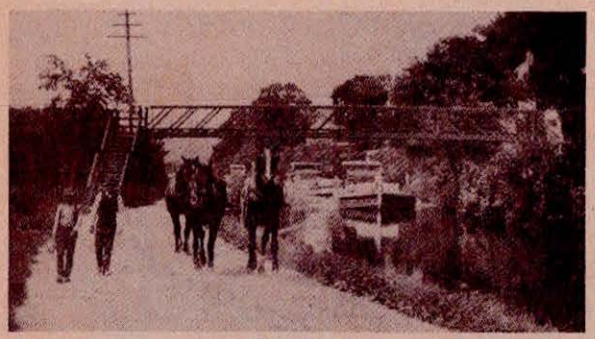
It was for this section that in 1826 Chief Engineer John B. Jervis proposed a railroad composed of a series of inclined planes separated by nearly level stretches where gravity would move the

(Continued on page 21)

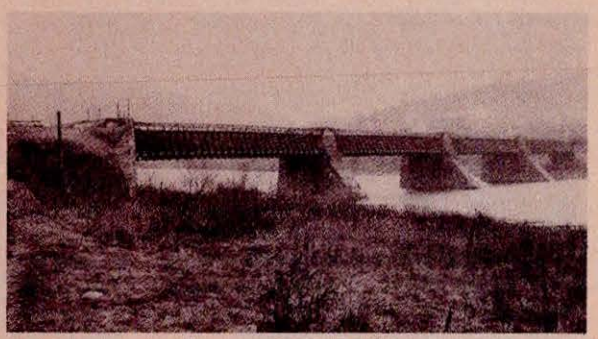
1823-1867
Canals, gravity and "Lion"



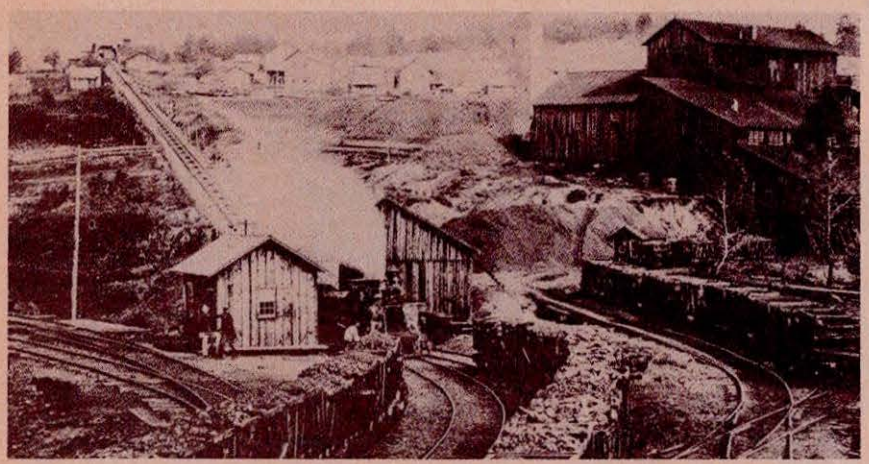
Stourbridge Lion, western hemisphere's first steam locomotive, was selected and then operated by Horatio Allen (left) who went on to distinguish himself in other engineering fields. Track structure at Honesdale, Pa., proved inadequate for Lion's seven tons so it was never utilized in revenue service.



Animal power prevailed on D&H canal throughout its existence, even as the company expanded capacity so that eventually 130-ton coal boats were in use. Waterway became a common carrier and moved the coal of other anthracite producers to markets.

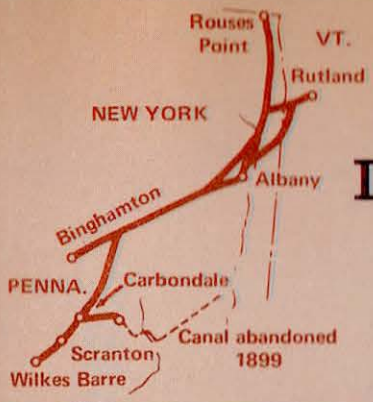


Roebling acqueduct carried D&H canal across the Delaware from Lackawaxen, Pa., and was one of several suspension bridges along the route. Today the 124-year-old structure serves as a highway bridge, oldest example of suspension span still in use in U.S.



Conventional locomotives were used to switch coal trains to the base of inclined planes after they were loaded at breakers such as the one at the right. Planes were often double tracked and separate route was finally established for the return of empty cars to the mines in Lackawanna Valley of Pennsylvania.

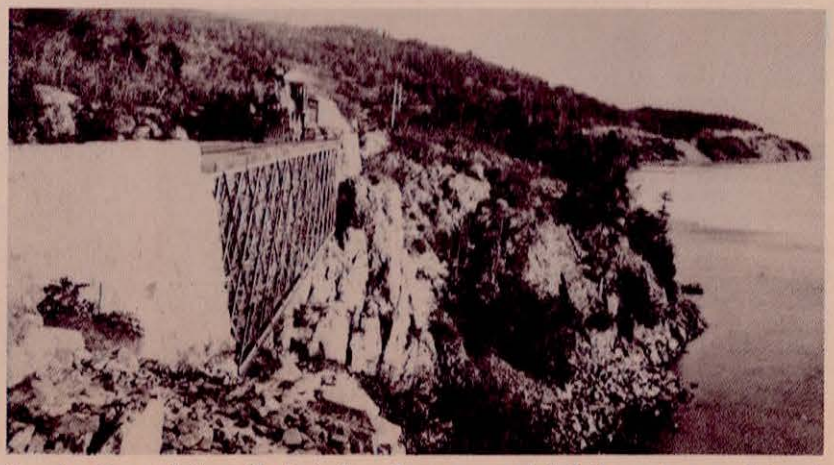
Photographs provided by Jim Shaughnessy, author of **Delaware & Hudson**, a 476-page history published by Howell North Books.



1867-1907

D&H becomes a railroad

Thomas Dickson, president from 1869 to 1884, pushed construction and acquisitions to essentially complete D&H.



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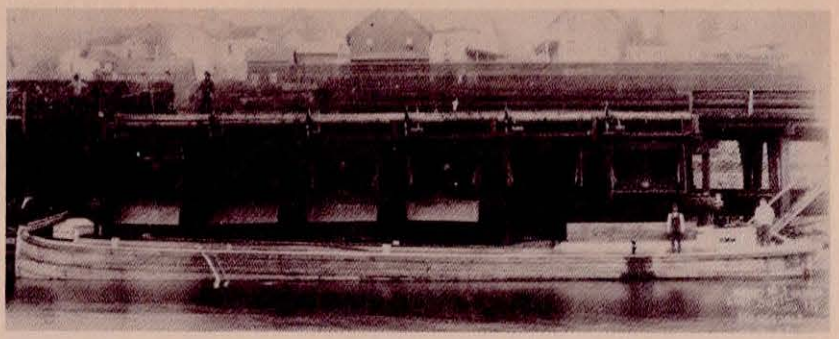

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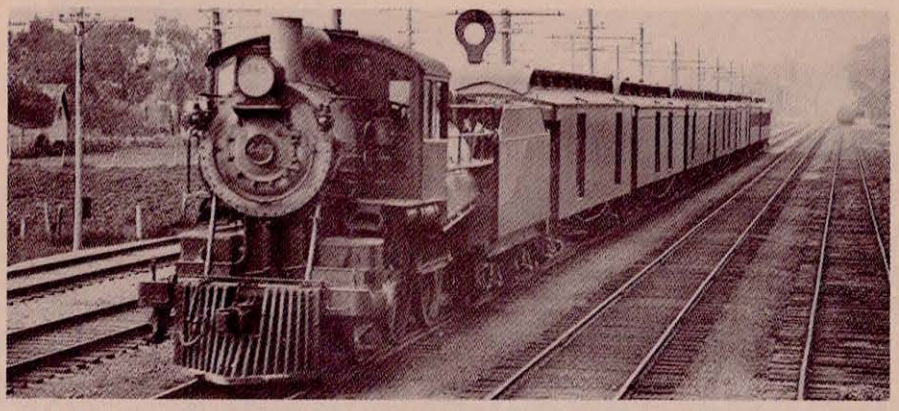
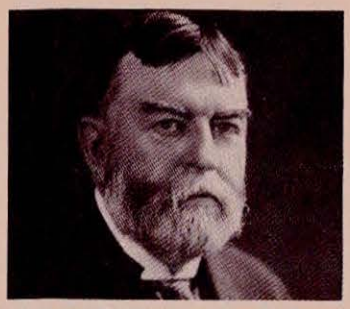
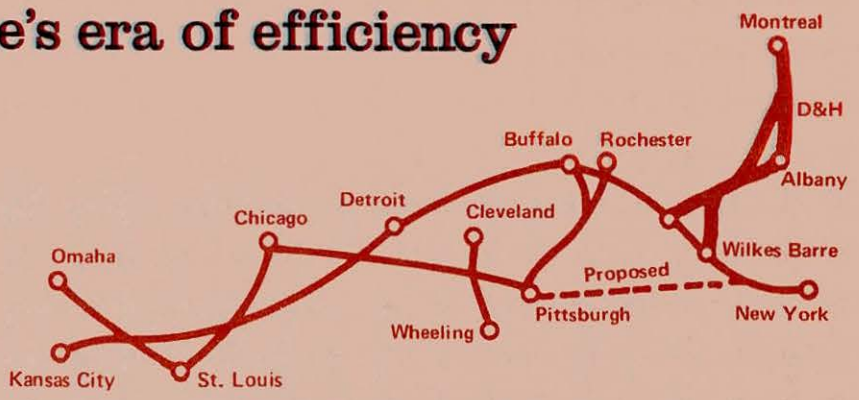


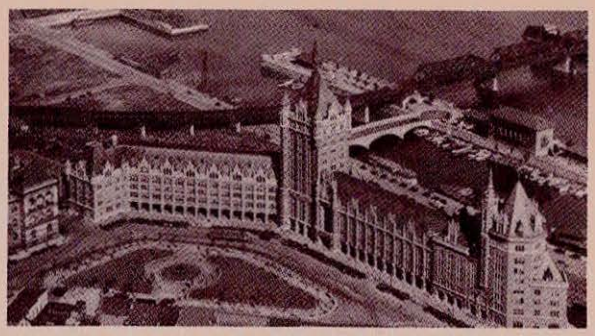
1907-1938
Loree's era of efficiency



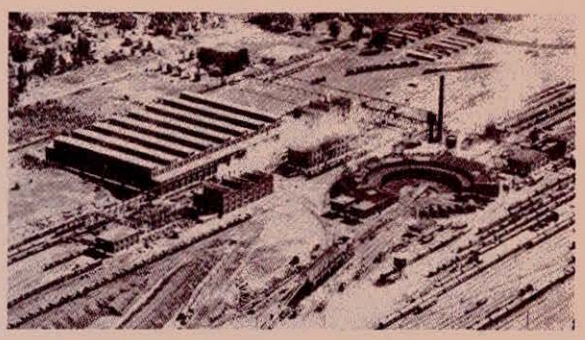
Leonor F. Loree came to head prosperous D&H in 1907 after having been president of B&O and Rock Island.



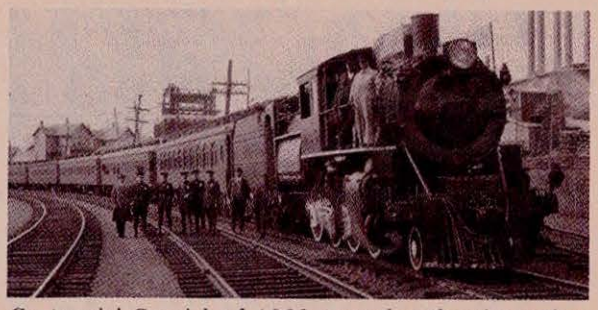
Fifth Trunk Line was proposed by Loree in 1925 in the wake of Federally-sponsored Prince Plan which envisioned four eastern systems. He had virtual control of Lehigh Valley and Wabash, an option on Buffalo, Rochester & Pittsburg, and proposed to acquire Wheeling & Lake Erie. Loree then filed to build a completely new railroad between Easton, Pa., and Pittsburgh to be known as the New York, Pittsburgh & Chicago, producing a system which, with D&H, would have stretched from Montreal and New York to the Mississippi and Missouri rivers. Opposition from government and other railroads ended the Loree merger concept; D&H interest in LV and Wabash was subsequently sold to Pennsylvania for $63 million. In 1929 he suggested a North Atlantic Terminal system with 13,500 miles including D&H, Lackawanna, New Haven, Western Maryland and Boston & Maine.



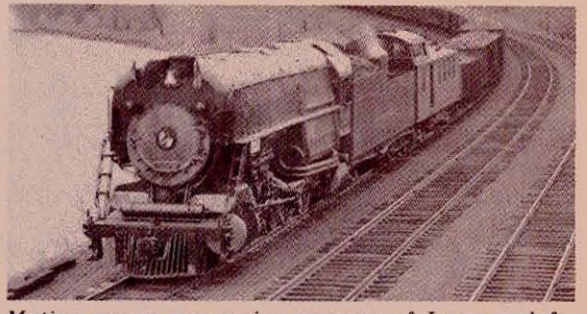
Albany's Plaza headquarters building of D&H was completed in 1916 as part of waterfront redevelopment; sale of structure to New York State will soon be completed and railroad will move out late in 1973.



Colonie Shops, opened in 1912 just north of Albany, have since been center of D&H motive power repairs; Loree also rebuilt many facilities and relocated lines during his 31 years as road's chief executive.

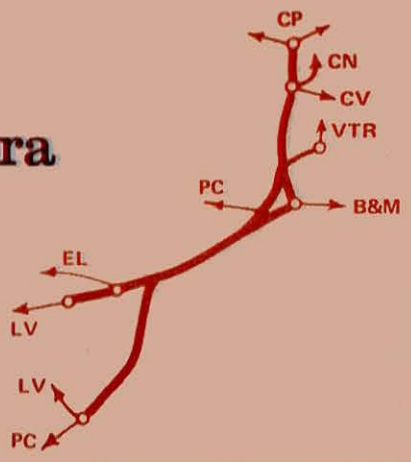


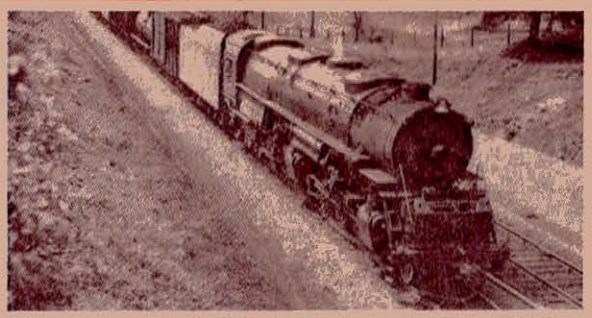
Centennial Special of 1923 toured anthracite region and then traversed Honesdale Branch where "Lion" ran 94 years before. In 1931 D&H abandoned track into Honesdale, and last of its canal heritage.



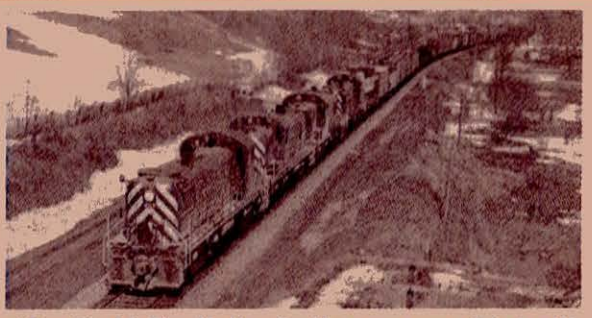
Motive power was major concern of Loree and for him this meant tractive effort. He rebuilt many D&H locomotives and had Alco build four high-pressure compounds. "L.F. Loree" was completed in 1933.

1938-1973
Bridge line to a new era





Horsepower for fast freight got emphasis in 1940 as D&H started to acquire 4-6-6-4s during J.H. Nuelle's presidency. Coal drag locomotives were unsuitable for the new role as a bridge line.



After World War II dieselization was completed with 125 Alco road switchers. In 1958 these four units were traversing section of line from which the second track had already been removed.

Line relocations gave D&H new configuration in Saratoga area during 1950s. RW-6, then powered by one of dual-service 4-8-4s, had fewer box cars than hoppers, a traffic mix which has since changed.

CTC was completed over virtually the entire main line in 1965; Carbondale-Schenectady board controls route now almost entirely reduced to single track. D&H productivity is up by 500% since 1924.

Dereco brought substantial coordination between EL and D&H after 1968. Roads continue to cooperate closely; here D&H units are meeting EL power moving in opposite direction over D&H main line.

In mid-1960s D&H was controlled by F.C. Dumaine's Amoskeag Corp. and strived to revive passenger service without success. D&H Laurentians made last runs in 1971 as Amtrak ended Montreal service.

D&H has an active industrial development program

(Continued from page 16)

loads and horses could return the empties up slight grades. As the 108-mile canal with its 108 locks neared completion in 1828, Jervis dispatched his assistant Horatio Allen to Britain to get four steam locomotives for the segments that had initially been proposed for horse power, as well as securing the ½-inch strap iron for the running surfaces of the 6- x 12-inch wood "rails" of the entire line which were secured in ties spaced on 10-*foot* centers.

Allen ordered from George Stephenson the locomotive "America" patterned after Stephenson's "Rocket," the world's first really successful steam locomotive, and from a builder in Stourbridge three locomotives—the "Lion," the "Delaware" and the "Hudson." It was the "Stourbridge Lion" which was first ready for service at Honesdale and which Allen himself (and alone) operated over three miles of the newly completed wooden railroad on Aug. 8, 1829. While the 7-ton "Lion" performed flawlessly and became the first locomotive to operate on American rails, it clearly overstressed D&H's new track and neither it, nor its three sisters, was ever put into revenue service. Horses continued as motive power until a separate gravity line was established for return of empty cars a dozen years later. It was not until 1860 that conventional steam locomotives were to appear on extensions of the gravity railroad down into the Lackawanna valley. A full-size replica of the "Lion" built by D&H in 1933, is now touring the line as an exhibit of the road's sesquicentennial display train.

D&H was destined for other motive power innovations. In 1906 it acquired General Electric's first gas-electric passenger car for service between Schenectady and Saratoga Springs. During the 1920s and 1930s, President L.F. Loree pushed the development of a series of high-pressure double-expansion and triple-expansion compound steam locomotives for more efficient handling of tonnage coal trains (a program in which Railway Age's late mechanical editor, Charles L. Combes, and his retired associate, Norman E. Gillespie, both participated). These complex machines showed thermal efficiencies never before (or since) achieved with steam. Ultimately, however, the cost of maintaining boilers, piping and machinery exceeded the savings in fuel. By the end of the 1930s the four experimental locomotives had been retired in favor of conventional steam which cost more to fuel, but less over-all to operate.

It was at the end of the Loree era that D&H management faced up to the fact that anthracite coal was not a real growth area; the emphasis began to turn to D&H's new role as a bridge line. This involved acquisition of high-horsepower steam. Later, D&H was to become the first U.S. major road to dieselize exclusively with Alco road switchers, eschewing the streamlined road freight and passenger units which were so popular 20 to 25 years ago. In this it again anticipated the trend in the railroad industry.

● **Coal's comeback.** In the face of a growing oil crisis, there are indications that anthracite's doldrums may be ending. Blue Coal (successor to Hudson Coal, which D&H long owned but sold in 1960) expects to open a brand-new $3-million, million-tons-a-year breaker at Carbondale late this year. Another long-closed breaker at Olyphant, Pa., was put back in operation not too long ago. Metallurgical anthracite, bound for Canadian markets, is ideally suited to D&H and the coal is also finding wide usage in water purification plants. In addition to such "chemical" uses, Sterzing sees that anthracite might again become a competitive fuel.

Oil, which has made such inroads on D&H coal traffic and revenues, has itself become a source of potential traffic growth. New York State has its elaborate Barge Canal system whose major traffic is a substantial portion of the 7 million tons of oil that annually come from ocean tankers through the Port of Albany bound for midstate, upstate and Vermont destinations. When D&H first proposed to barge-owning fuel oil companies that it could establish competitive rates, offer year-around service (which the canals do not) and eliminate some storage facilities, the idea of railroad movement was unbelievable.

A major selling effort has begun to have its effect and this winter D&H and Vermont Railway have been handling fuel oil to Burlington, Vt., in 23,000-gallon tank cars. Environmentalists have been increasingly concerned about oil spills on the lakes and waterways of the region, a possibility which rail haulage virtually eliminates.

● **TOFC/COFC, too.** Piggyback has been an established feature of D&H railroading for a decade, or more. Among its seven daily through freights in each direction are PB99 and PB-100 operated between Chicago and Boston in cooperation with EL and B&M. There is now minibridge container service from Boston to the West and D&H is taking a long, hard look at TOFC/COFC in the New York-Montreal corridor.

Motor carrier rates in this area are high and with the growth of ocean container services there is an increasing movement of boxes in both directions. Container ships find it economical to dock at only one port and to then minibridge to either New York or Montreal, depending on where the ship tied up. D&H is looking at this traffic, as well as more conventional piggyback as it installs a new ramp at Lacolle, Que., on the Napierville Junction.

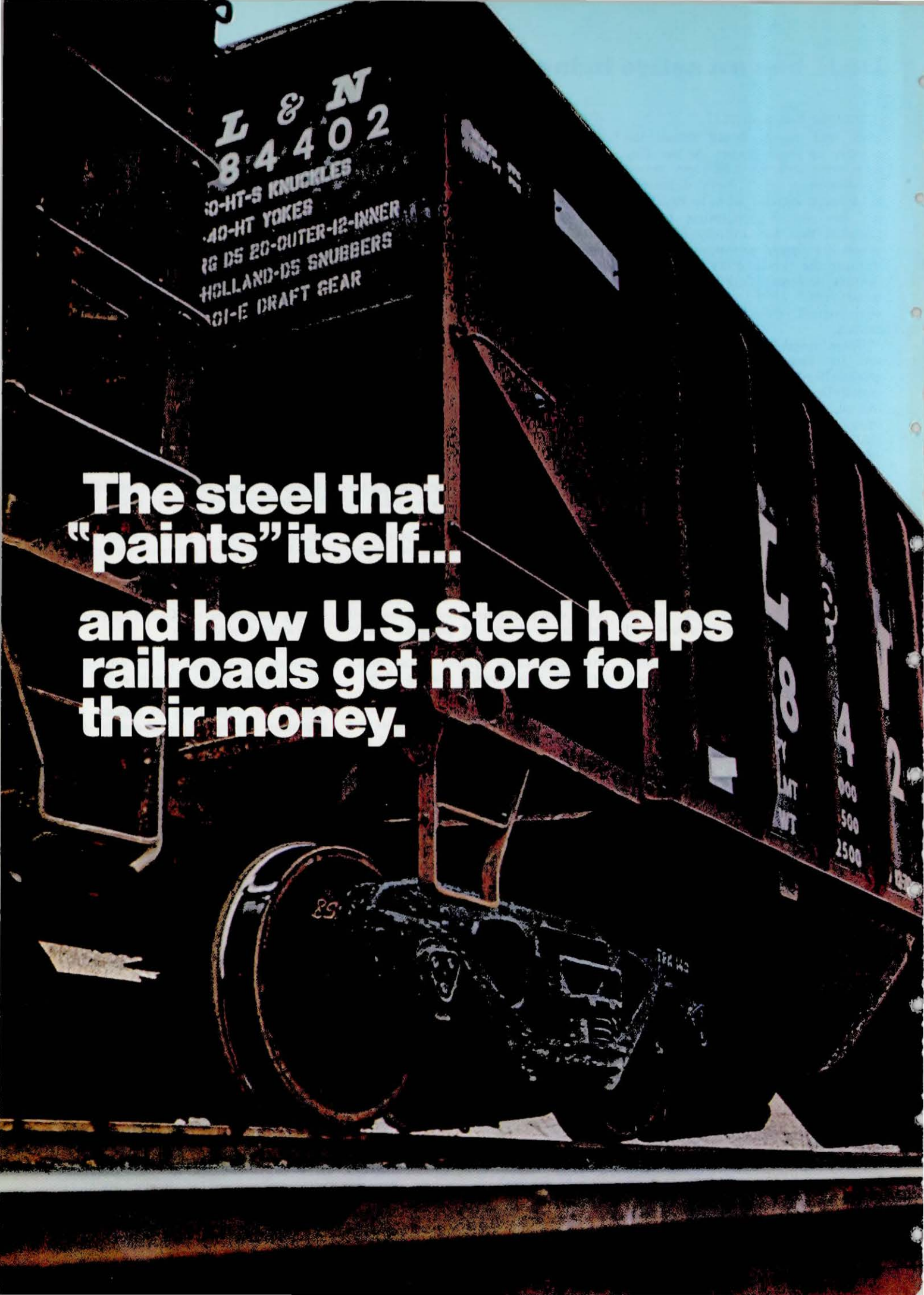
● **Number One.** While looking at these growth areas, D&H never loses sight of paper which, in itself, is a growing thing. The 83,000 carloads which were moved in 1972 accounted for 28.2% of D&H's tonnage and 36.7% of its revenues. In addition to all that Canadian and Maine newsprint, D&H has on line such paper producers as International Paper at Crown Point, Scott at Glens Falls, Patrician and Finch-Fruyn at Fort Edward, Diamond National and Georgia Pacific at Plattsburgh, and Hudson Pulp & Paper, Standard Packaging, and Stevens & Thompson on its subsidiary 17-mile Greenwich & Johnsonville.

D&H has 117 locomotives and 5,300 freight cars—half of which are box cars and 85% of these are used for paper loading. Sterzing points out that not only is D&H dependent on its paper traffic, but that this major activity "is equally dependent on D&H to successfully market its products."

● **Other traffic.** Albany's Chamber of Commerce frequently points out that the city is within a 250-mile radius of fully 20% of the U.S. population, as well as the largest city in Canada. In suburban Albany is Voorheesville Industrial Park, a former military installation, which has had a growing role in regional distribution—primarily rail in, truck out. Three years ago, at the urging of VIP management, D&H expended $300,000 to extend its service into the Park then served only by Penn Central.

"The developers determined that without competitive rail service, they could not sell their space and services to the shipping public," explains Sterzing. "The facility is now fully utilized and D&H enjoyed 6,231 carloads to this facility in 1972." D&H itself has a very active industrial development program.

Is Voorheesville a miniature of what viable railroad service in the Northeast must be? Yes, says Bruce Sterzing. "The railroad industry in the Northeast can only thrive under private operation in a competitive atmosphere. If shippers do not retain a choice of rail routes, they will nevertheless have a choice of transportation services and they will use that choice by diverting still more traffic to the highways. And shippers who must use rail service will not locate new plants—or, perhaps, even retain existing plants—in a section of the country which has only one rail system." ■



The steel that "paints" itself...

and how U.S. Steel helps railroads get more for their money.

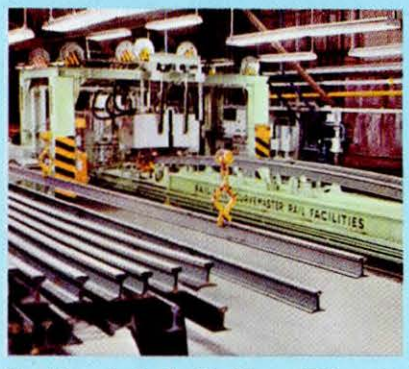
Twelve-hundred new hopper cars are helping the Louisville and Nashville Railroad hold the line on maintenance costs. Pullman-Standard built their bodies of bare USS COR-TEN "A" Steel, the high-strength, low-alloy steel that "paints" itself.

The dense, russet coating of protective oxide it develops from exposure to the elements makes USS COR-TEN "A" Steel five to eight times as resistant to atmospheric corrosion as carbon steel.

Should the protective coating be broken or scratched (from abrasion by coal, for instance), it quickly begins to re-form.

Not only is USS COR-TEN "A" Steel more corrosion-resistant than carbon steel: it's also 40 per cent stronger. So it can produce rolling stock that's both lighter and longer-lasting.

We're supplying steel—and good advice—on a lot of other projects important to the railroads: cars, rails, bridges, buildings. If you'd like to talk, phone your USS man or write United States Steel, P.O. Box 86, Dept. 7328, Pittsburgh, Pa. 15230.



Hard-headed rail a hit. Since 1963 we've had to double our capacity to produce wear-resistant USS CURVEMASTER rail, now widely used for mainline track, too.

Tower's bones left bare. Columns and beams of unpainted USS COR-TEN Steel support this 70-foot tower in the Santa Fe Railway yards, Kansas City, Kansas.

Subway opens door to embossed. The long-life doors of this new subway car, now in service, scored an industry "first": they're of our embossed steel.

USS, COR-TEN and CURVEMASTER are registered trademarks.

You're on the right track with USS Steels for Railroads

Let us take a load off your mind.

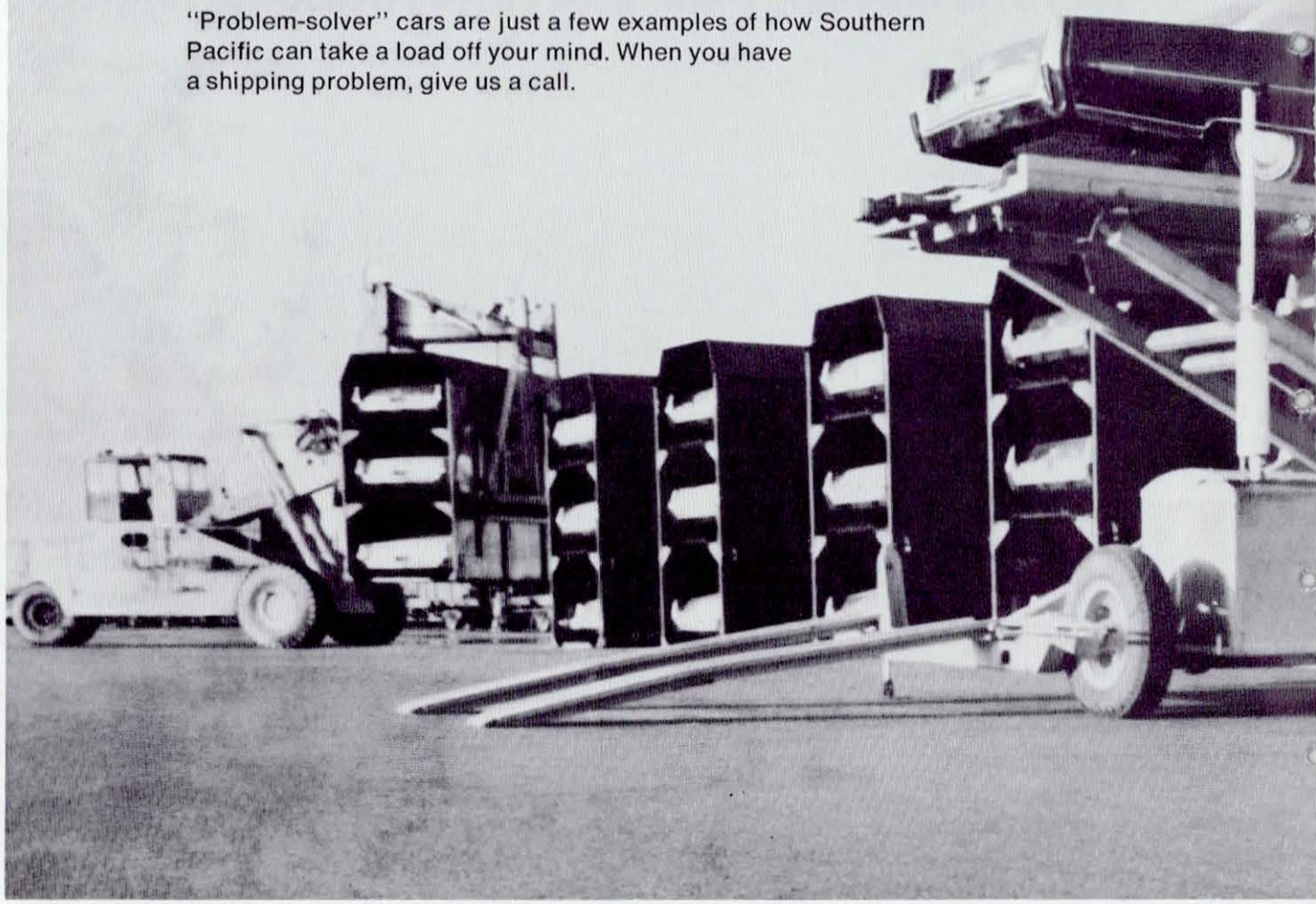
(Southern Pacific "problem-solver" cars offer shippers new ways to save time and money.)

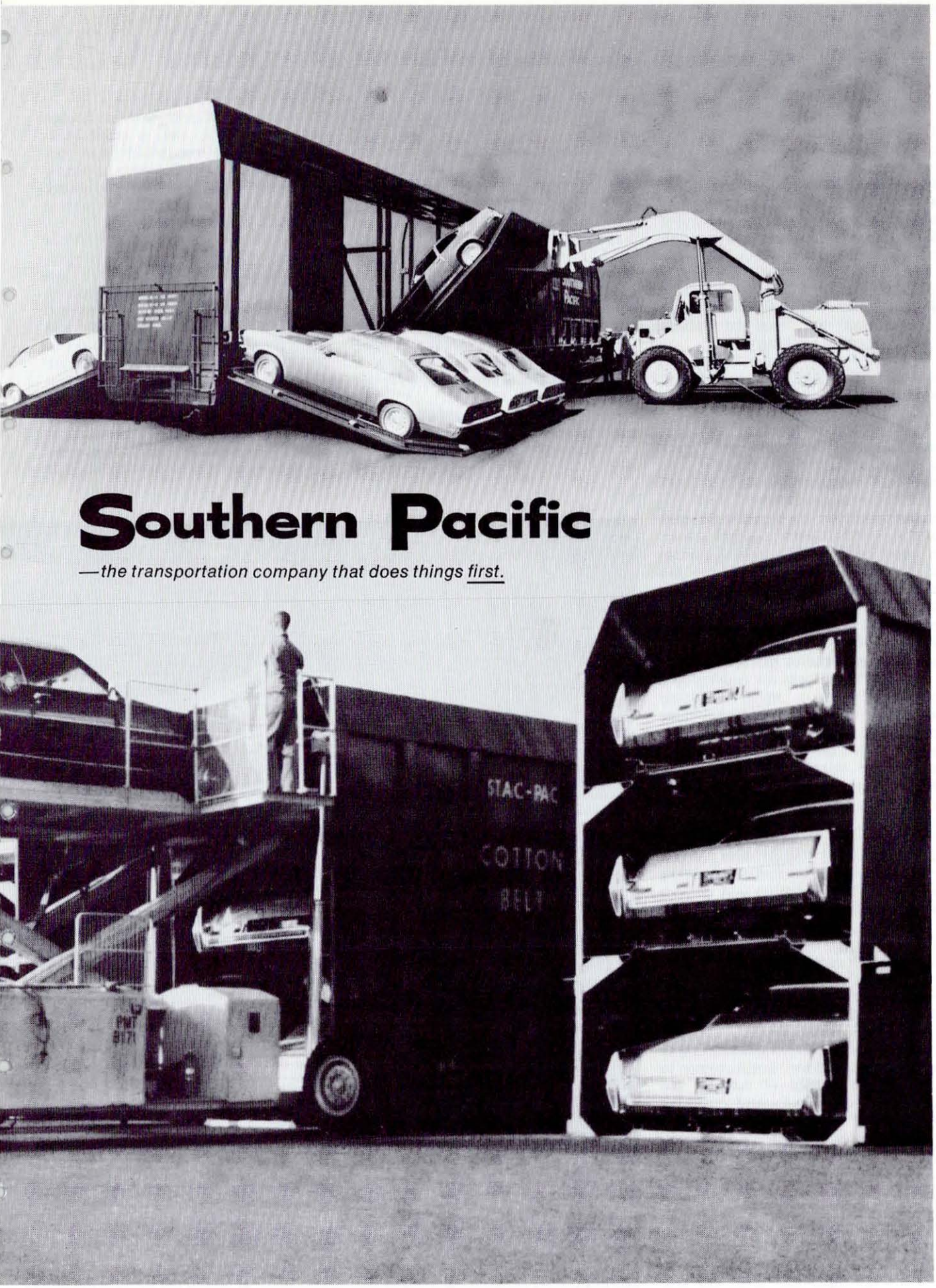
When an auto manufacturer came to us to see how he could ship autos more efficiently and with better protection, we sat down with him and came up with two solutions: A "Stac-Pac" system (below) that carries three full-size autos per container, four or five containers per flat car. And a "Vert-A-Pac" car (at right) that carries 30 compacts all under one roof. Every auto is completely protected from vandalism and weather.

These are only two ways Southern Pacific put their ingenuity to work. "Hy-Roof" Hydra-Cushion box cars carry double-decked loads of fragile appliances. Flat cars with Hydra-Cushion underframes give extra-big loads or containers a gentle ride. Mammoth "Hy-Cube" box cars provide 10,000 cubic feet of cushioned load space for bulky but fragile auto parts.

The net result: Greater economy through full-load efficiency. Faster, less-costly loading and unloading. Extra protection for fragile freight.

"Problem-solver" cars are just a few examples of how Southern Pacific can take a load off your mind. When you have a shipping problem, give us a call.





Southern Pacific

—the transportation company that does things first.

The big lesson of '73: You can't

Nobody yet has figured out a practical way to cram more than five pounds of fertilizer into a 5-pound bag. So, if you have got 50 pounds of the stuff to move from here to there—and you're holding a single 5-pound bag-you've got problems. You can use the living daylights out of that bag. You can buy more bags. You can try to do both.

That, really, is what the current freight-car supply/shortage situation is all about: There's a tremendous volume to be moved—but there are definite limitations on its movement.

These are some of the factors that have come into play, more-or-less all at once, to create today's transportation supply/demand problem:

—Everybody talks about the transportation crunch on export grain, much of it destined for Russia, and the grain movement probably is the biggest single contributor to the car-supply pinch. But business generally has also taken a sharp (and at least partly-unexpected) upturn. In many quarters, there was skepticism as to whether the Administration's economics manipulations would really turn the economy from downside to upside. But the game plan worked, and when it worked it put another surge into the transportation marketplace.

—In 1973, railroads are coming off a couple of years in which freight-car acquisitions fell below forecasts. There were sound reasons for this. For one, there was that general stagnation of the economy to worry about. For another, there was government's dalliance with transportation-aid legislation; and government, of course, wound up doing very little—thus frustrating potential car-buyers who, forced into certain economic judgments, had been hoping for and waiting for easier and cheaper ways of getting more cars into service.

—Perhaps, too, there has been just a bit too much reliance on off-track hardware/software as a means of making the car fleet meet burgeoning demand. Nobody would deny the impetus to car utilization given by such as aci, or highly-refined computerized car-control systems, or data-based improvements in terminal performance. But there has to be a certain supply of cars for the computers to control. And operating patterns and practices have to change with the traffic flow, while they keep pace with the data-churning computers.

—In some instances, traffic increases have caught railroads short of motive power. And, starting late last year, even the roads with ample locomotive fleets began running into the fuel shortage. Obviously, with either a power shortage or a fuel shortage, there is no way that equipment utilization can do anything but suffer.

—In absolute numbers, as any student of car shortages knows, the railroad freight-car fleet has been shrinking. And, while it's true that total fleet capacity has been climbing, as one skeptic put it, "It doesn't do a shipper much good to know that the car he can't get is bigger than the car he couldn't get last year." More to the point than either absolute numbers or capacity figures, however, may be the fact that railroads are steadily building up their fleets of the car types most in demand—covered hopper cars, equipped box cars, flat cars.

—Capital budgets approved late last year hinted that major railroads would be in the freight-car marketplace in a big way in '73, and 1973 add-ons (mostly for thousands of new covered hopper cars) confirmed it. But, as order backlogs increase, delivery schedules stretch out. Even now, with the jump in orders, carbuilders (who have seen too many boom-and-bust cycles) are moving cautiously toward expansion.

—Inevitably, the management/labor situation has played a part in transportation planning (as it plays a part in just about every kind of industrial planning). First, railroads had to be concerned about their own labor prospects, and the possibility of facing up to post-midyear problems. Then, there were the many other rounds of negotiations coming up in other key industries, including the trucking and automobile industries. Nobody knows what yet may happen. But railroads and the rail labor organizations have gone a long

COVERED-HOPPER ORDERS are now flowing to builders at near-record pace. Above, Santa Fe

utilize cars you haven't got

way toward, if not a generation of peace, at least a year and a half of stability. Big Steel and the United Steelworkers, who won't begin bargaining until early in '74, have already taken steps toward orderly settlement without the kind of confrontation that leads to shutdown. And others among labor's top leadership do seem to be talking in more restrained terms than have been recently heard.

—Meanwhile, back at the export-grain movement, the whole affair is proving (in stark and dramatic terms) the old no-man-is-an-island theory of physical distribution. Railroads, the high-profile target, have been taking their lumps for car-supply problems. But anybody who cares to look responsibly at the situation knows that ship scheduling and the ability of port facilities to handle the load are factors of about equal weight. To put it another way, car supply would be a far smaller problem, were all parts of the transportation/distribution process meshing better than they are.

The outlook, at this point, is not all good—but it's not all bad either. On the positive side, railroads *are* in the equipment market at an order-pace rivalling that of 1966. Railroads *are* re-learning the subtleties of operating at or near capacity (capacity being measured not so much in terms of a plant that could handle more traffic as in terms of equipment that's being worked and worked and worked). Railroads *are* proving what they can do—and giving strong indication of what they could do, as volume freight haulers.

On the negative side, car shortages *are* real and they are continuing—though in recent weeks ICC-reported average daily shortages have been dropping slightly. Some yards and terminals *are* getting plugged and, given heavy traffic flows, it can take a lot longer to unplug a yard than it took to get it into trouble in the first place. And, there *is* still uncertainty as to whether the boom will last and if so for how long. At the moment, most boom-watchers see a fairly lengthy upside to the cycle. But few, if any, would treat history so lightly as to say there will not someday be a downturn, maybe even a sharp one.

In whatever happens, there will be an interlacing of world trade and the domestic economy, government policy, railroad transportation capacity and financial capability, and the capability of the railway supply industry.

hoppers on Pullman-Standard line. On March 1, railroads had 5,198 covered hoppers on order.

Car supply: What's the outlook?

Make no mistake about it, the U.S. is now sitting right smack-dab in the middle of a car shortage, or, as some people prefer to call it, an excess-demand period for freight cars. But no matter what you call it, there doesn't appear to be any instant cure. From all indications, railroads, shippers, government, the public and the many others who have become instant experts on rail transportation in recent times are going to have to wait probably another 50 to 60 days before they see any significant relief for the freight-car shortage. It could be longer—this, by the way, in spite of sizeable orders for new cars placed by railroads, and lessors as well, in recent months.

● **Fictional figures?** Many railroaders have come to regard the ICC's car shortage figures as one of the purer forms of fiction, based for the most part on the inflated orders for cars placed by nervous shippers who feel that the more cars they order in apparent shortage periods, the better their chances of getting the number they really need. However, the figures for the ICC report are supplied by the AAR Car Service Division, and Car Service gets them from the railroads themselves. And, as one very knowledgeable railroad transportation superintendent put it: "There should be people on each railroad who know their customers well enough to detect any inflated orders for cars and to correct the figures before they're submitted to the Car Service Division for entry in the shortage column."

More than anything else, grain—specifically, grain for the Soviet Union—is at the heart of the current car-shortage problem. The Russian purchase last year of 420 million bushels of grain—described by Louis W. Menk, chairman of Burlington Northern, the nation's largest grain hauler, as "the largest single commodity transaction in the history of the world"—has placed a severe strain on the railroad grain-car fleet. Blend this extraordinary demand for grain cars with a need for more of the same type to move other export grain about equal in volume to the Russian purchase, and then mix in larger-than-usual demands for all types of freight cars to satisfy the nation's own burgeoning domestic requirements, and you have what it takes to create a whopper of a car shortage.

● **Orders on the upswing.** With grain shipments and TOFC/COFC traffic at unprecedented high levels (and with auto rack traffic nudging the all-time record), the covered hopper car and the piggyback flat car have emerged as the shining stars of the nation's freight car fleet. Most carbuilders have their order books loaded to the gunwales with covered hopper orders. And, at least one of these builders is reported to be thinking seriously of enlarging its production capabilities to meet the flat car crunch.

In the 12 months ending February 28, the railroads added 6,998 new covered hoppers to the car fleet, at a cost of more than $125 million. Furthermore, the AAR is reporting another 5,198 covered hoppers on order as of March 1, including 4,000 ordered in February alone. Still, on March 3, the ICC was reporting an average daily shortage of 16,249 covered hopper cars, up 1,513 cars from the previous week and up a whopping 15,857 cars over the daily shortage reported a year earlier.

Even those who have always gone out of their way to avoid saying a kind word about railroads will have to laud them for what they have been able to do in recent months to funnel export grain to the seaports. The railroads, often accused of being shy of managerial talent, have done wonders, performed near-miracles, to move this tremendous volume of grain. Actually, the odds favored chaos. First of all, after the U.S.-Russia grain pact was signed in August, neither government was willing to make a decision on whose ships would carry the grain and this dickering cost the railroads a lot of valuable days in the fall when grain could have been moving in greater volume to the ports. The deadline set to complete the delivery of the grain to foreign customers has not helped the railroads, either.

As the opening of the season for movement of the spring harvest of grain in the Southwest gets closer and closer, railroads serving shippers in this section of the country are wishing now that they had those extra shipping days for the export grain that were lost during the governmental haggling. These roads are trying frantically to get as much of the export grain as possible out of the way so that they can concentrate on the new harvest. To add to the present car supply woes, this also happens to be the time of the year when fertilizer and fertilizer components are on the move by rail and, of course, the covered hopper is at the top of the popularity list with shippers of these commodities.

● **Harvest looks good.** If that isn't bad enough, from all indications a bumper crop of grain is expected out of the Southwest. Texas and Oklahoma crops bombed-out last year, but it looks as though this year's production will make up for it. The net result: More strain on the grain-car fleet. Meanwhile, Kansas and eastern Colorado crops look as though they will be categorized as bumper, too. Thus, by mid-June, when this harvest is at its peak, domestic movements of grain could be almost as hectic as those now involved with export grain.

Luckily, the grain car tie-up for the domestic grain movement will not be as severe as that for export grain. Tie-ups due, in part, to port congestion have caused many grain cars carrying export grain to have as much as a 20-day turnaround period, something hardly conducive to alleviating the shortage problem. Movements of new grain from country elevators to larger grain terminals can be accomplished with perhaps only a three- or four-day turnaround involved.

By the looks of things, however, railroads won't be able to do much relaxing when—and if—this year's unusually high demands for grain cars come to an end. Considerably more acreage has been released for planting of future crops. If they do well, the grain-

The car-shortage story

Week ending	Average daily freight car shortage
April 29, 1972	2,759
May 27, 1972	2,293
June 24, 1972	2,175
July 29, 1972	2,815
Aug. 26, 1972	5,458
Sept. 30, 1972	5,922
Oct. 28, 1972	10,682
Nov. 25, 1972	10,139
Dec. 30, 1972	18,265
Jan. 6, 1973	20,276
Jan. 13, 1973	24,210
Jan. 20, 1973	24,322
Jan. 27, 1973	31,322
Feb. 3, 1973	34,855
Feb. 10, 1973	38,371
Feb. 17, 1973	38,543
Feb. 24, 1973	38,530
March 3, 1973	42,534
March 10, 1973	42,326
March 17, 1973	41,630
March 24, 1973	41,166

By car type, period ending March 24, 1973

Plain box	16,555
Equipped box	1,739
Covered hopper	16,582
Refrigerator	227
Gondola	2,733
Hopper	1,886
Flat	1,343
Other	101
Total	41,166

Source: ICC

Million dollar train action valves. So who needs them?

You do.

Train action control is a must in any end-of-car cushioning concept if the potentially harmful forces of slack action are to be kept in check.

For almost a decade FreightMaster has studied train action causes and controls. Thousands of miles of road tests have been run utilizing trains from Canada to Florida.

FreightMaster has invested over a million dollars in train action research and development. It's been worth it. Today FreightMaster has a train action control system that helps effectively control slack without sacrificing impact performance.

This train action research program goes on because FreightMaster knows that it's vital to you that the leader in end-of-car cushioning stay a leader in this important area of train dynamics.

Ask any other end-of-car cushioning manufacturer about their train action research programs... then check with FreightMaster about the *one* system that has almost a decade of R&D to prove effective performance.

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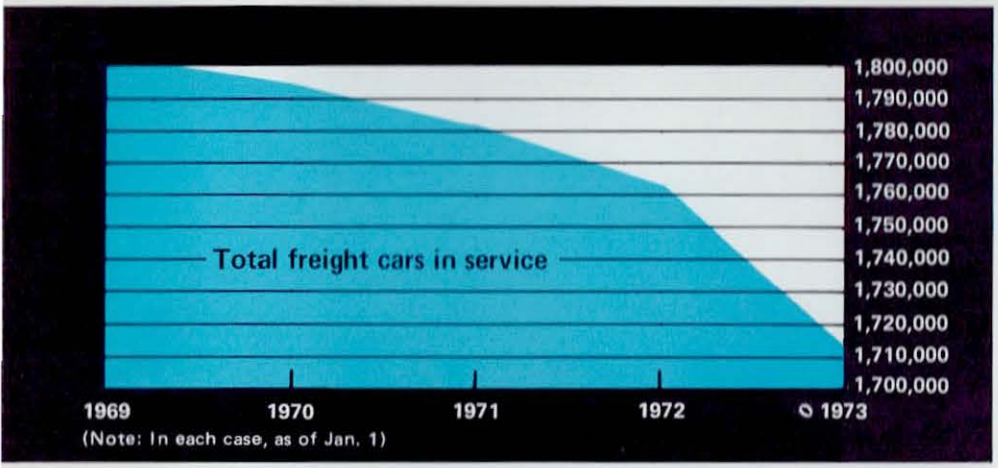

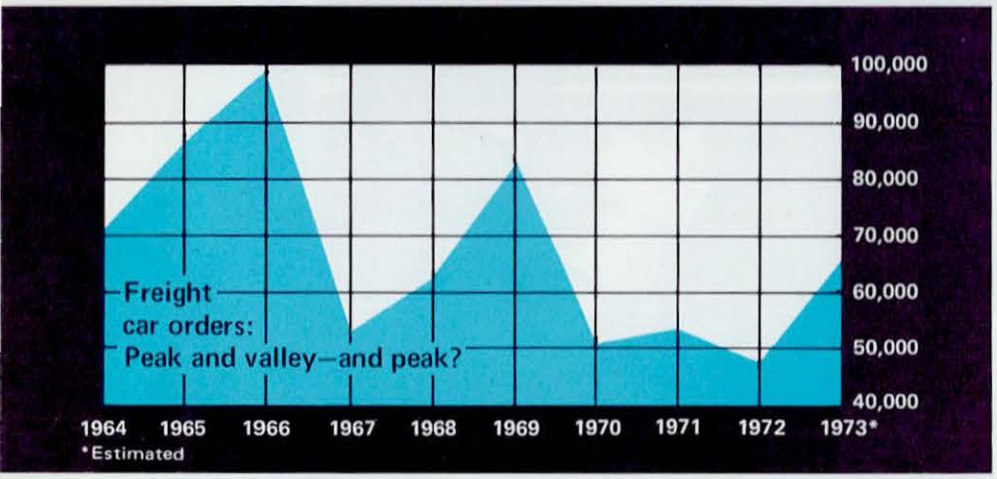

car crunch could continue for maybe four more years, and longer if other nations continue to experience inferior grain yields.

The Department of Agriculture estimates that total grain exports for the 12 months ending June 30 will reach 74.5 million metric tons, compared with the previous year's 50 million metric tons. Total value of U.S. agricultural exports in 1973 has been estimated at $11.1 billion. This figure is expected to climb to $18 billion by 1980. Thus, it appears that the U.S. freight-car fleet, especially grain cars, is in for a busy time of it.

● **Popular substitutes.** Grain cars, it should be noted, are not always covered hoppers. Box cars, although less desirable, move grain—quite a bit of it. In recent months, however, the open-top hopper car has become a serious contender as a grain hauler and there are some who feel that it is superior to the box car in some ways, although considerably less desirable than the covered hopper.

To meet the grain car crisis, many granger roads actually signed short-term leases for open-top coal hoppers owned by eastern roads. Lately, though, some eastern roads have been summoning these cars back home and are themselves pressing them into grain service. One of these roads is reported to have signed a $4.5-million contract to deliver 60 trains of grain in open-top cars to an East Coast coal port where the grain will actually be loaded in ships via the port facility's coal-loading conveyors. These open-top hopper cars have been made suitable for grain loading by putting a polyurethane foam seal around the hopper doors. This practice, which has become widespread in recent months, is said to be doing an unusually good job of sealing. The fact that the car is open hasn't created any problems.

● **TOFC/COFC booming.** Because of all the concern for movement of grain, the growth in other traffic areas has almost been overlooked—but it shouldn't be. After coming out of the doldrums last year, piggyback hasn't paused once to catch its breath. Traffic is up about 24% and nobody seems ready to say when—or if—it will stop climbing. Observed one piggyback-watcher recently: "Judging from the traffic levels of January and February, you'd think we were approaching Christmas. These two months are usually very 'soft' for piggyback, but, instead, they've been almost unbelievable."

Although there have been pockets of shortages of piggyback flat cars reported, generally the supply has been adequate. Trailer Train, with a fleet of flat cars rapidly approaching the 65,000-car level, is talking in terms of a 5,000- to 6,000-car ordering year. In February, 1,460 cars were ordered by TTX. An announcement of the purchase of another 2,000 cars, perhaps more, is anticipated. At any rate, TTX has indicated to car builders that in all likelihood it will need all the new car production-line space that can be made available this year.

All the flat cars TTX is seeking are not solely for intermodal service. Agricultural equipment flats are needed, as are auto frame cars, bulkhead flats and other special cars. TTX is also helping to expand its piggyback car fleet by converting (by adding hitches, mainly) former auto rack cars to this service. As many as 200 cars will undergo this change in 1973.

● **Auto makers see change.** About one-third of TTX's total fleet is in new automobile service. Considerable activity in the area of development and testing of new or modified rail cars for automobile service has been detected lately. The Stac-Pak container method developed for General Motors traffic is gaining momentum. GM reports that "virtually all" Cadillacs going by rail are now transported in Stac-Paks, and, with Oldsmobile following suit, can Buick, Pontiac and Chevrolet be far behind?

Chrysler is now showing a strong

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cheese cakes, chess sets, chimes, china, chocolate bars, chopsticks, clams, clarinets, cotton, counter tops, coupes, cowls, cranes, crank shafts, crash helmets, crawfish, crayons, cream cheese, credit cards, cribs, crocodiles, crops, cruses, cuckoo clocks, cuneiform tables, cupboards, custard, daily papers, dancing shoes, darts, dates, diamonds, earth movers, ebony, electric trains, egg plants, egrets, elbow pads, elephant tusks, emblems, emerald earrings, Emperor moths, encyclopedia sets, engravings, entablatures, epigrams, equal portions,

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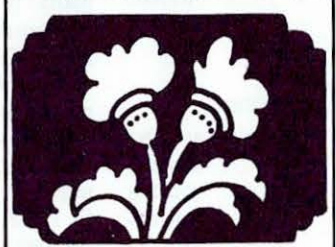
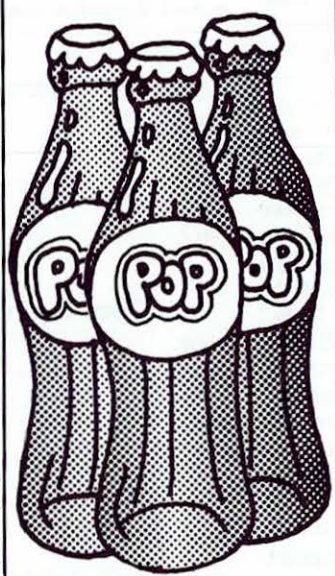
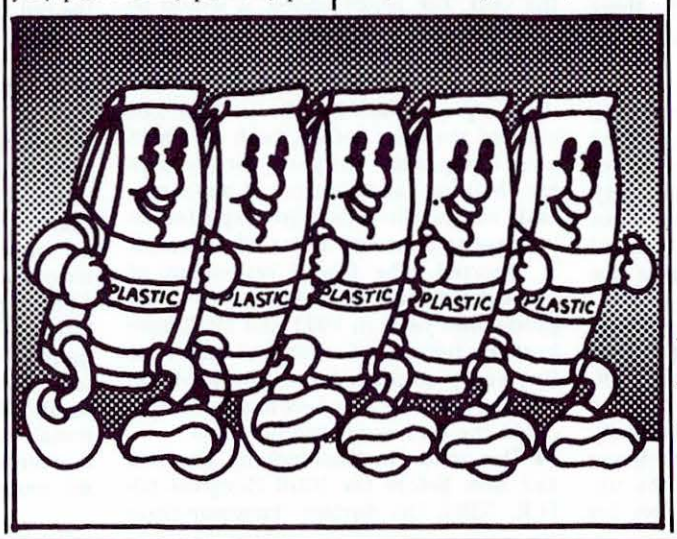
hogs, herbs, hides, hippopotamus, hogs, honey, horses, hot dogs, hot tamales, ice cream, linen, lime, looms, lobster tails,

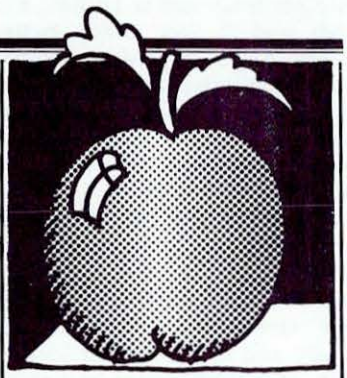


milk, minks, minnows, moccasins, mocking birds, mushrooms, muskrats, nails, nickel, nitrogen, nuts and bolts, nylon, oak, oats, olive oil, onions, orange crates, organs, ostrich feathers, otters, papayas, parchment, parrots, pastries, peacocks, peanut butter, pears, pearls, peat, pecans, pendulums, petroleum, perfume bottles, periscopes, plastic toys, platinum, potatoes, racoon hats, radios, radium, redwood trees, refrigerators, reindeers, rice, rubber tires, sailboats, salt, sand, paper, sarsaparilla, satin, sausage, scotch and soda, sheep, silver, sodium, sorghum, soybeans, spinich, statues, steel, straw,



suede, sulphur, sugar, tar, teepees, ten-speed bicycles, textiles, tractors, trucks, timber,





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desire to move its new automobiles in closed rail cars, too. Ford has long been experimenting with new concepts of rail cars and loading and unloading systems, and just recently was planning to exhibit a closed car of its own that has been developed in cooperation with railroads.

The tri-level Chrysler car, built by Santa Fe, is equipped with six doors—two per level—and is 18 feet, 8½ inches high and 9 feet, 1-3/8 inches wide inside. These dimensions compare with 16 feet, 9 inches and 8 feet, 4 inches of the standard tri-level. But Chrysler's traffic people feel that this new car will be able to operate over more than 80% of their rail routings.

Quite unexpectedly, the auto makers are also showing renewed interest in the 86-foot high-cube box car for transporting low-density auto parts. Ford, for one, says it needs almost 550 of these costly and oftentimes difficult-to-maintain cars. Total auto maker needs in this category have been placed at upwards of 700 cars.

● **What future for boxes?** The plain 40-foot box car, described at various times as "the backbone," "the bulwark," "the workhorse," and so forth of the national freight car fleet, is now somewhat of an enigma. This type car is in short supply and some shippers are, in fact, demanding them. Penn Central, however, in its testimony before the ICC last month opposing expansion or extension of Ex Parte 252 regarding incentive per diem charges, labeled the 40-foot box car as the "Typhoid Mary" of the railroad industry. The 40-foot box car can't really compete with the trucks and the water carriers, said PC, and efforts by the ICC to require railroads to buy them with the incentive per diem funds is not in the best interest of commerce or the railroads.

The outlook for the equipped box car, on the other hand, is much brighter. Right at the moment, many of the car builders have surplus production space for these types. But there are some who feel once everyone stops talking about the need for covered hopper cars, there will be new interest in shoring up the box car fleet. Should the Federal government take some action this year on bills proposed to bring relief to the railroad rolling stock problem, then the box car would surely move to center stage. It is felt, though, that early passage of a bill this year would not really bring any relief in the form of additional equipment until perhaps late 1974.

Tank cars, some of which were in very tight supply especially this past December, appear to be becoming available in sufficient numbers to be in close balance with the needs. The unusually high December demand, a tank-car lessor explained, was due in part to the unprecedented requirements for fuel for grain-drying equipment in the Midwest. This year, orders for tank cars got off to their fastest start in history. If the pace should be maintained throughout the year, the lessor added, it would be two times better than the best year ever experienced. But, things are tapering off somewhat, and it appears that 1973 will shape up as about 25% better than last year or the year before, both of which were low production years for the tank car builders and lessors. Long-range, tank car requirements are expected to increase at a rate of about 5% a year, it is reported. The forced retirement of 50-year-old tank cars and the two low production years in 1971 and 1972 have hurt the balance of supply of tank cars. But vastly improved utilization of the existing fleet by shippers has tended to offset the decrease in the fleet size.

Box cars

	Plain	Equipped
1969	411,565	148,507
1970	394,074	162,154
1971	375,668	171,237
1972	357,850	176,644
1973	340,163	181,131

Covered hopper cars

1969	153,532
1970	161,068
1971	170,742
1972	179,919
1973	186,219

Flat cars

1969	113,213
1970	122,705
1971	128,359
1972	128,711
1973	125,554*

*May not reflect real decline; method of computing fleet size in prior years is believed to have resulted in overstatement.

Gondolas

1969	205,640
1970	200,414
1971	196,231
1972	192,690
1973	188,713

Open-top hopper cars

1969	422,558
1970	405,829
1971	399,498
1972	398,199
1973	383,242

● **The action in Washington.** The two key bills before the 93rd Congress are H.R. 5385, the Surface Transportation Act; and S. 1149, the Rolling Stock Utilization and Financing Act. Railroads and suppliers of equipment, through the AAR and the Railway Progress Institute, have lined up behind STA, introduced by Rep. Brock Adams (D.-Wash.). Although both organizations see a need for Federal financial assistance to aid the railroads, which is proposed in S. 1149, they feel that this Senate bill "simply can't measure up" to STA.

In testimony recently before the Senate's Special Subcommittee on Freight Car Shortages, Stephen Ailes, president of the AAR, said STA "is the only bill of which I am aware that includes the kind of assistance that does address all of the problems. It recognizes the need for financial assistance to obtain more rolling stock. It recognizes the need for financial assistance to modernize and consolidate terminal facilities, and to acquire, construct and maintain signals and communications systems, and trailer-and-container-on-flat-car facilities."

The RPI, in testimony before the same Senate subcommittee, urged that the railroads "get the sort of relief" proposed in STA. "Then they can handle the situation without it resulting in another government corporation operating in the private sector," the RPI testimony added.

S. 1149 is, however, favored by many organizations. ICC is supporting it. Numerous shipper organizations are, too. The Forest Industries Council (whose members ship by rail about 86% of the total mill volume of the paper industry and roughly 78% of all lumber, plywood and other wood products), has urged prompt Congressional action on S. 1149. The FIC praised the railroads for their efforts to improve and expand the car fleet. But this hasn't been enough, a spokesman said, to avoid chronic shortages that have been made more acute by the tie-ups involved with the Russian grain movement.

Ailes, in voicing opposition to S. 1149, said that "it includes several important features which would prevent the bill from having the desired effect of substantially improving the supply and utilization of railroad freight cars." He cited the $2 billion of Federal insurance on car purchases which could under certain conditions become due immediately at any time during the lifetime (15 years) of the obligation, and claimed that the whole concept of a guarantee or insurance would therefor be destroyed. He found other provisions of S. 1149 objectionable, too, such as prohibition of dividend increases and non-railroad investments without discretion for relief, labor-protection arrangements, and the oversight regarding lease rentals and obligations. The AAR, too, is strongly opposed to provisions of the act under which a government corpora-

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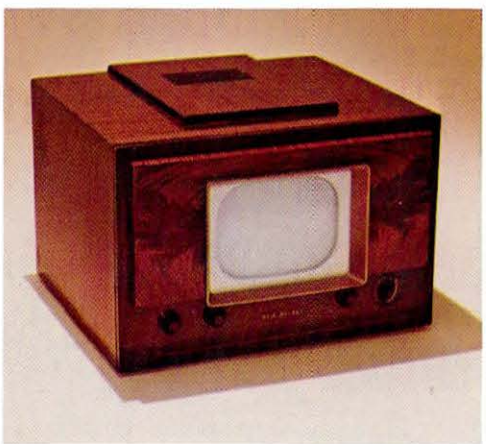

Remember some of the great buys of 1949?

1973
1973
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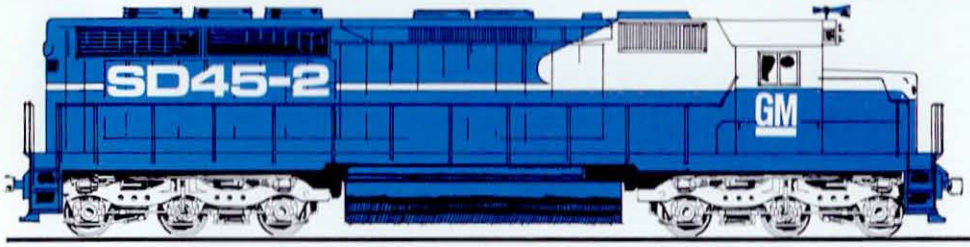
In the past ten years, the revenue ton-miles hauled by America's railroads have increased about 26%. Yet the total locomotive fleet has remained just about the same in size. Why? Because most railroads have maintained replacement programs that up-graded their fleets with new, improved locomotives that could do more work. Just think what would have happened to railroad earnings if the size of the locomotive fleet had also increased 26%.

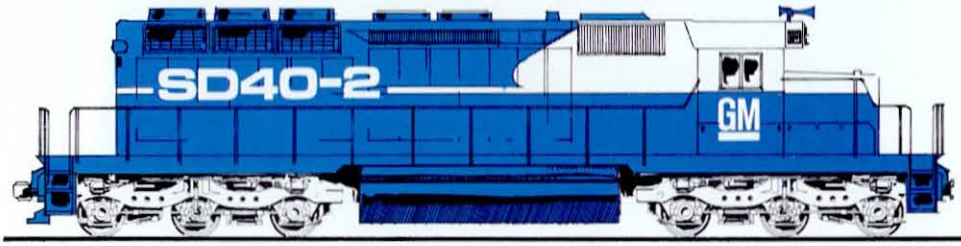
By 1980, the Department of Transportation projects an increase in revenue ton-miles of about 24% over what they were in 1972. To handle this business without a massive increase in fleet size and associated costs, railroads will need new locomotives that are stronger, more reliable and easier to maintain. Many old GP-7's and GP-9's still run well. But only new replacement locomotives can really handle the increased business effectively. That's because only these new locomotives can provide all the reliability and maintainability improvements we've made over the past 23 years.

Here are a few examples:

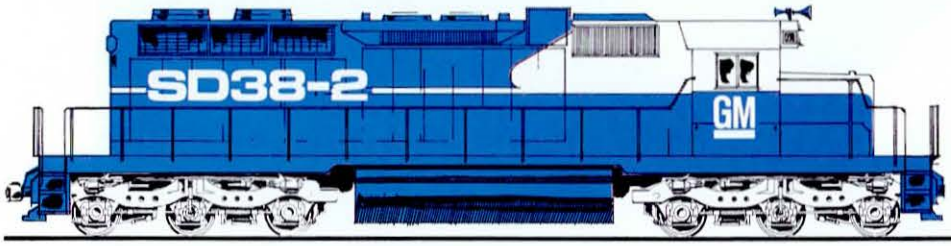
The 40-2 series–
five standard road locomotive models



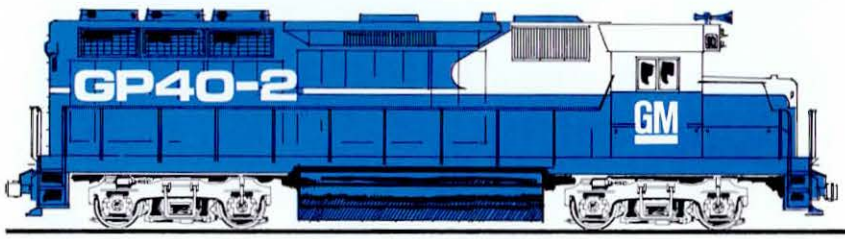
SD45-2
3600 horsepower
(turbocharged)



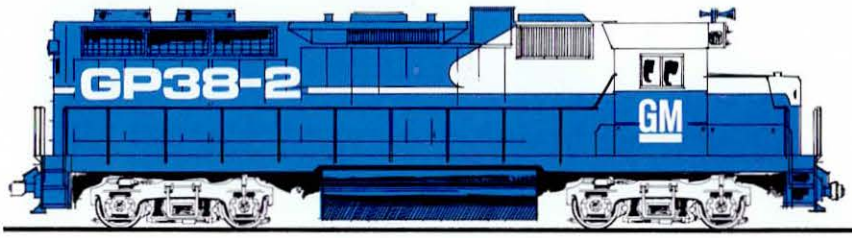
SD40-2
3000 horsepower
(turbocharged)



SD38-2
2000 horsepower



GP40-2
3000 horsepower
(turbocharged)



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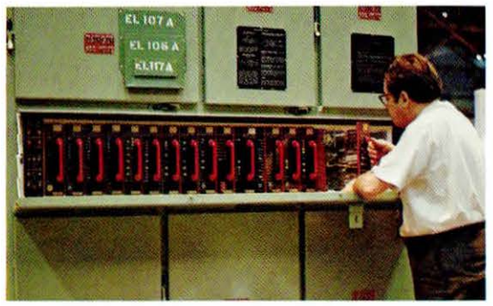
The modular electronic control system on our new locomotives makes trouble-shooting fast. An annunciator locates and records the source of major malfunctions. And since each module controls a different electrical function, it's very easy to service—just plug in a new module while you test the old one back in the shop.



One-piece underframe and stress-resistant crankcase

The underframe and crankcase are the structural foundations for any locomotive. A rebuilt locomotive would rest on these fatigued components. Our new models have one-piece underframes that are stronger than ever before. The crankcases have added support in those areas most susceptible to stress, and we've eliminated water corrosion. The result—longer service life and a better foundation for your locomotive investment.

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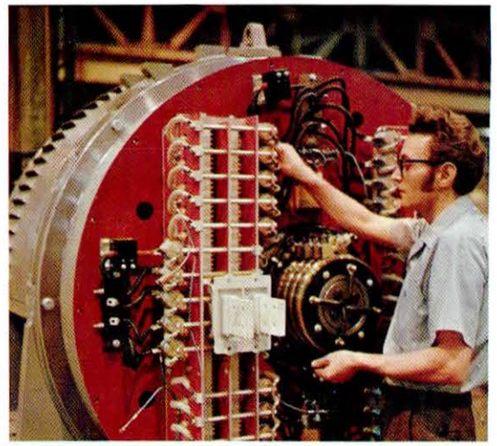
Our new a-c generators produce more power with fewer and simpler parts. And they eliminate some serious problems with old d-c generators — shunting and flashover, for example. The result — increased reliability, less downtime, and lower maintenance costs.



We've integrated other modifications into these major systems changes to give you increased fuel savings, cleaner exhaust emissions, reduced noise levels, and greater overall operating efficiency. Power contactors, pistons, piston rings, cylinder liners, cab insulation, and inertial air filter system — these are just a few of the components we've improved to produce a whole new standard of motive power.

A rebuilt locomotive can cost as much as a new one.

Many railroads have found that it costs no more to buy and operate new locomotives with these new components than to rebuild and maintain vintage 1949 GP-7's or 1954 GP-9's — even when the rebuilt locomotives are assumed to have a 15-year economic life span. That's because for these railroads, the operating cost savings they realize with the new components make up for the higher initial cost.

Give your fleet the net income test.

New EMD locomotives give you better reliability and maintainability. So you owe it to yourself to test your fleet on the probable effect a replacement program will have on net income. We can help you make the financial analysis.

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La Grange, Illinois

Here's how to keep getting your money's worth.

In the past ten years, the revenue ton-miles hauled by America's railroads have increased about 26%. Yet the total locomotive fleet has remained just about the same in size. Why? Because most railroads have maintained replacement programs that up-graded their fleets with new, improved locomotives that could do more work. Just think what would have happened to railroad earnings if the size of the locomotive fleet had also increased 26%.

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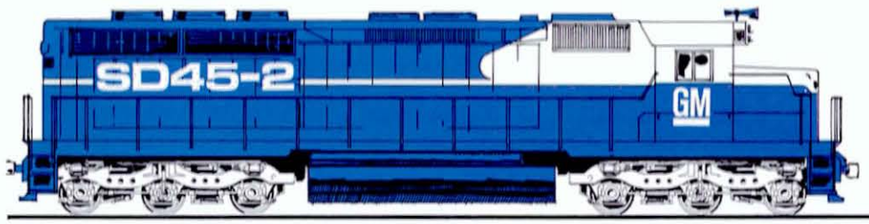
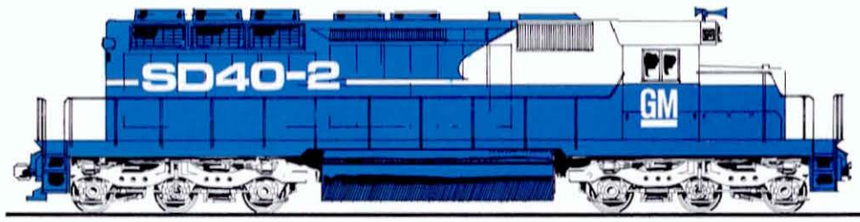
Here are a few examples:

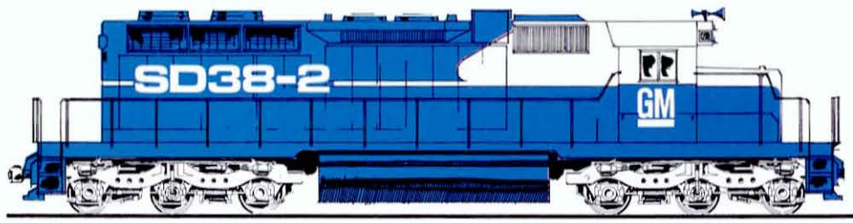
The 40-2 series– five standard road locomotive models



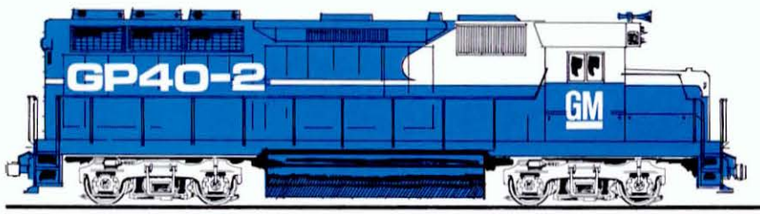
SD45-2
3600 horsepower
(turbocharged)



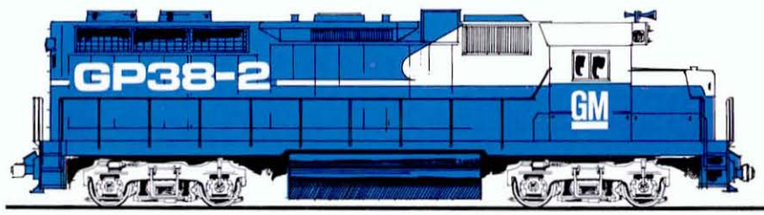
SD40-2
3000 horsepower
(turbocharged)



SD38-2
2000 horsepower



GP40-2
3000 horsepower
(turbocharged)



GP38-2
2000 horsepower

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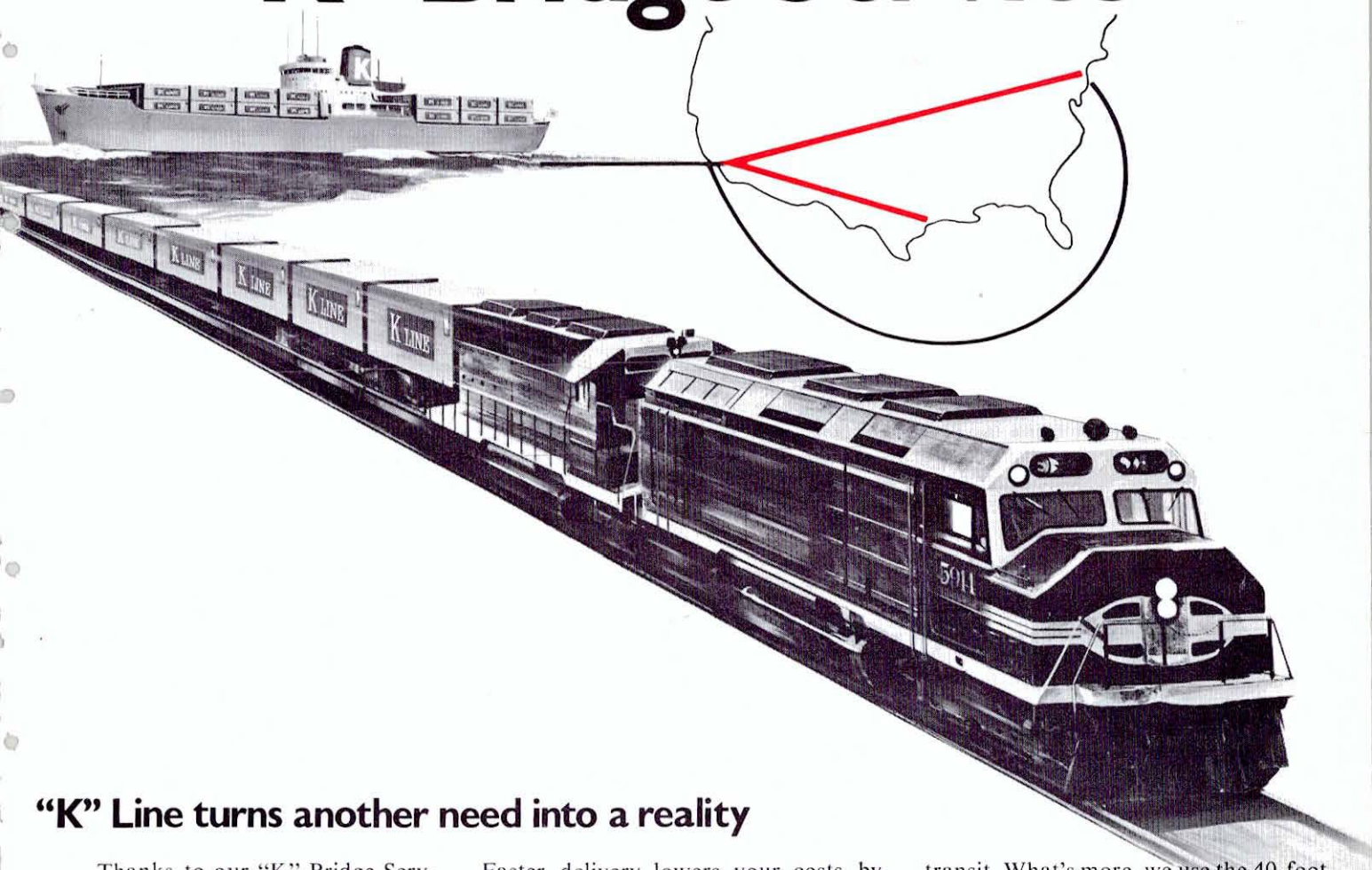

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Thanks to our "K"-Bridge Service, inaugurated a year ago, shipping from Japan to New York is now both easier and faster. We've arranged with America's leading railways to assure the quickest and surest routing for the on-carriage of your goods. Merchandise is delivered to and received from you at rail terminals in the destination city.

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This new service complements our fully containerized Japan-New York route via the Panama Canal. With both routes, "K" Line is able to provide container services to satisfy every shipper's needs. Now "K" Line's wide range of service is wider than ever.

"K" Line's Intermodal Bill of Lading gives us responsibility for your shipment during land as well as sea transit. What's more, we use the 40-foot containers we had the foresight to adopt some years ago to lower shipping costs. To assure mobility for delivery to and from railway terminals, each container is placed on an individual chassis. Computer communications make the whole process that much smoother.

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Circle 6 on coupon page 59

There have been complaints, but shippers mostly like what railroads are doing

(Continued from page 32)
tion would be formed to manage distribution of freight cars.

Something else that could have a profound effect upon the railroads' ability to seek—and pay for—an expanded rolling-stock fleet is legislative action on tax incentives. The House Ways and Means Committee has been holding hearings on tax reform. Six rail executives and AAR's Ailes were joined by RPI Chairman Elwyn T. Ahnquist (president of Pullman-Standard) in giving testimony in support of various things, such as:

—Retention of the investment tax credit.

—Retention of rapid depreciation.

—Making permanent a temporary provision for five-year amortization of investments in rolling stock.

—New laws to enable railroads to recover investments in grading and tunnel bores over a 50-year period.

—Expansion of the five-year amortization to cover plant and installations.

In his testimony on behalf of tax reform, Ahnquist stressed the serious problem of unemployment in the railway supply industry because railroad purchases have been at a low level. He noted that a survey made last year indicated employment down 25% from the previous year. Plant closings—some permanent—have not been unusual in recent years, he added. New car orders have been somewhat depressed in the past three years—50,293 cars in 1970; 51,967 cars in 1971; and only 47,915 cars last year. But, U.S. carbuilders say they have the capacity to produce upwards of 90,000 cars a year.

● **Upside forecasts.** At the outset of 1973, predictions of total cars to be ordered in the year were bunching up close to the 56,000-to-58,000-car range, although there were some who were talking about a "same-as-last-year" year. At least one supplier representative was sticking his neck out and calling for a "70,000-car year, maybe a couple thousand more." Actually, 1973 is sprinting out at a pace that would indicate an order-year well above the level that most were predicting for it. Not since 1966—that wonderful year of carbuilding that suppliers still reminisce about—have orders appeared on the books in such great numbers. In the first two months of this year, 15,236 cars were ordered.

One has to wonder just how bad things would be right now if it weren't for the vastly improved efficiency of railroads in recent years. Last year, freight-car utilization was the most efficient in the history of American railroads, the AAR is reporting. Transportation output per car reached an all-time daily high of 1,481 ton-miles. Car mileage reached a record 56.1 miles per day, up 5.1% over the 1971 average. Average tonnage per car-mile rose to a high of 46.7 tons. Another industry record was set last year—778 billion ton-miles of revenue freight handled.

● **Records—and worries.** If 1973 continues at its present pace, more records are certain to be set. Estimated ton-mile output for the first 12 weeks of the year is 187.9 billion, an increase of 9% over the same period of last year. Grain loadings are up almost 30%; metallic ores, 16.5%; motor vehicles, almost 6%; and piggyback in the first 11 weeks is running 17.2% above last year in terms of trailers/containers loaded.

Because railroads have been going at full-tilt lately, there *is* a certain amount of concern being expressed for the state of health of the freight-car fleet. Can the fleet continue to maintain the pace of today's railroad operations without suffering exhaustion? And, can the locomotive fleet keep up this breathless pace? Austerity programs on some hard-pressed railroads have led to the trimming of maintenance forces, which means that little preventive maintenance is being performed.

For the most part, shippers have had nothing but praise for railroads and the job they have been doing to handle the present car crunch. A few complaints have surfaced lately, though, regarding the level of car maintenance. One major shipper, who says his transportation costs will probably go up $750,000 this year—because the car shortage has forced him to use trucks for business that usually goes by rail—has used cars in recent months that "would have been rejected any other time." He fears, too, that loss and damage, on the downswing lately, may suddenly swoop up because cars are in less than well-maintained condition.

In spite of it all, railroads have risen to a challenge. And in some cases, they have probably surprised themselves. Meeting this challenge, however, would have been a lot easier if there had been an STA around to pitch-in some support. ■

Agriculturists outline their needs

Representatives of 12 of 14 state agricultural departments whose states account for 80% of the nation's production of wheat and soybeans and 85% of the feed grains met in Chicago two weeks ago to discuss the current grain movement problem. Aside from resolving to hold another Grain Movement Conference in Chicago "early in May," at which the ICC, the railroads, farm organizations, port officials and others would be asked to participate, the agricultural representatives also elected to seek:

—ICC control of rail cars lying idle in the East for movement to the Midwest.

—Cooperative planning to facilitate orderly movement of grain from the farm to export markets.

—Requirements for adequate marketing and transportation facilities to strengthen agriculture's role in aiding the U.S. balance of payments.

—Appearances of conference delegates before Federal committees to discuss the need for covering open-top hopper cars in grain service and to shorten car turn-around times at ports.

—Airing of the problem before the Mid-West Governors' Conference and the National Governors' Conference.

—An AAR inventory of both idle cars and cars waiting in ports for unloading, plus a list of back orders of grain cars, both to be available for the May conference.

—Support of opposition to ICC Ex Parte 274, sub. 1, regarding branch line abandonments.

—Extension of multiple car rights to country elevators supplying five to ten or more cars to a unit train assembled from several points of origin.

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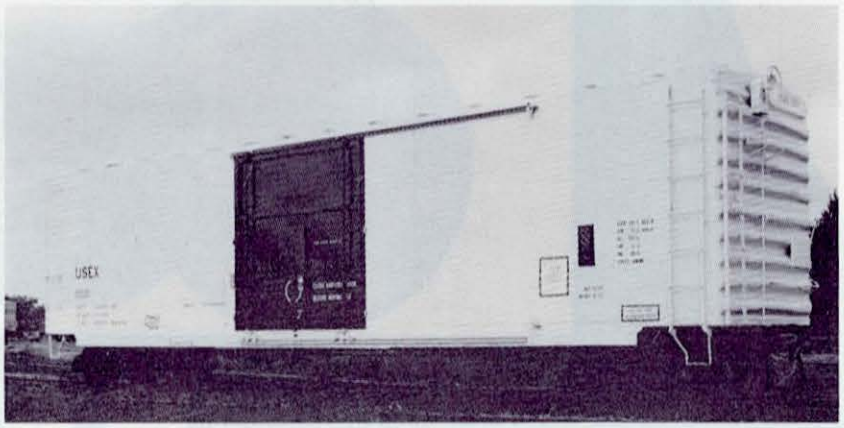
Circle 15 on coupon page 59

From the carbuilders: 12 ways to increase

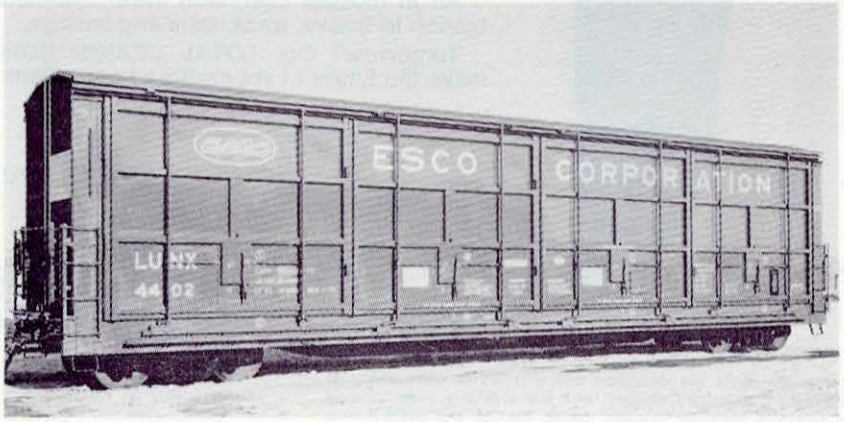
PULLMAN-STANDARD's 100-ton, three compartment, 4,750-cu-ft covered hopper is one of several sizes of covered hoppers ranging from 3,000 cu ft to 5,800 cu ft which were introduced by the carbuilder last year as a "family" of cars. Twenty-four engineering improvements and optional features have been incorporated into this latest edition of the P-S covered hopper car, with many of them found in the roof and hatch area.

UNITED STATES RAILWAY EQUIPMENT's USEX 111111 looks like an ordinary 50-ft, 50-ton box car—but it isn't. This is a rebuilt, stretch car which represents USRE's plan to rebuild cars from the supply of obsolescent cars, to railroad specs, under a purchase/leaseback plan. In USRE's view, the plan can help in fighting car shortages, reduce the bad-order problem, and add to railroad cash reserves while giving greater-than-lease-cost returns.



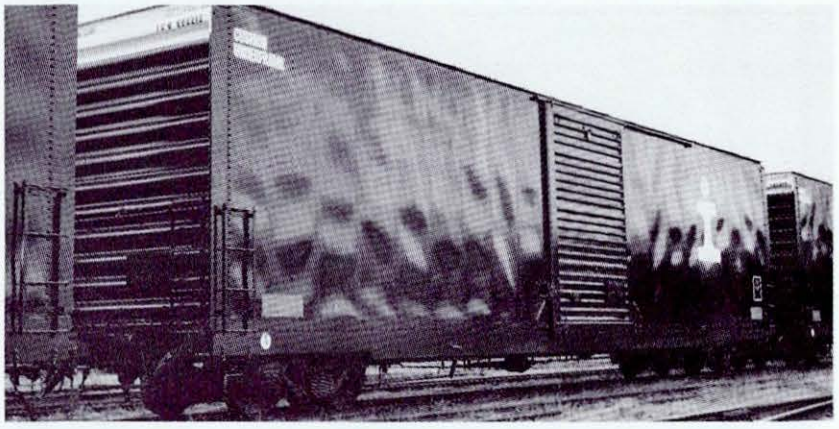
GENERAL AMERICAN's 20,000-gallon sludge tank car is designed for unit-train operations handling high volumes of digested sewage sludge. On top are a special manway arrangement with vent, visual gauging device, tank-cleaning connection and fast-fill hole cover. On the bottom are a 12-in. butterfly outlet valve connected to nozzle chute, steam and bottom-fill fittings, and auxiliary outlet valve with quick-connect fittings.

THRALL CAR's 100-ton, 50½-ft "Thrall-Door" car, widely used in the lumber and lumber products industry, has the versatility to carry other payloads such as castings in steel containers secured to the floor by dacron strapping. The car's 12½-ft plug doors (four per side), which can be opened in such a way as to provide a clear 25-ft opening at the ends or center of the car side, ease both loading and unloading operations.



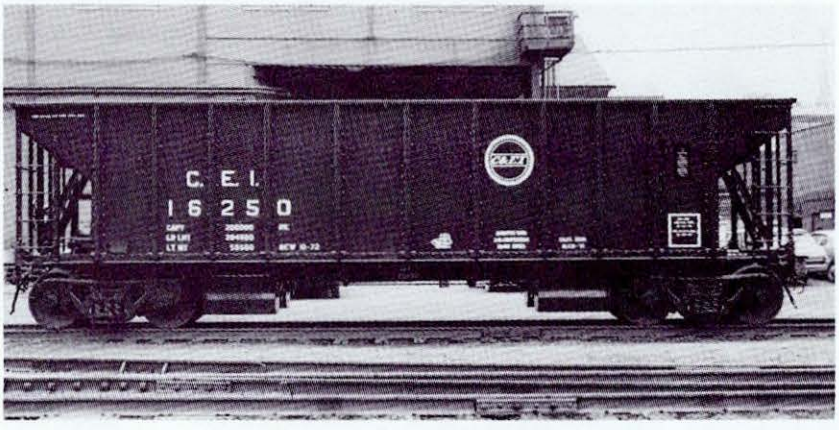
transportation productivity

NORTH AMERICAN CAR has what's described as a unique "double-groove" unloading gate in this jumbo covered hopper car for plastic pellets and resinous powders. Valve element and gate pan are aluminum, transfer connections are stainless steel. The gate, North American says, eliminates contamination from previous loads, cleans without disassembly, and accommodates vacuum systems with flow rates ranging up to 40,000 lbs per hour.



BERWICK FORGE AND FABRICATING Division of Whittaker Corp. has been turning out new box cars for Illinois Central Gulf—70-ton, 60¾-ft high-roof cars designed for service in movement of appliances. These cars have an inside height of 12 ft, 10 5/8 in. and are equipped with Evans' single Air-Pak bulkheads. They are representative of a trend—away from plain box cars and toward specialized, equipped box cars.

PACIFIC CAR AND FOUNDRY's CONVERTA BULK is, depending upon the need at the time, either a refrigerated box car or a refrigerated hopper car fully capable of hauling a bulk perishable load. Featured inside the car are floor sections, hinged at the base of the interior walls, which can be lowered over the car hoppers to provide a smooth, heavy-duty flooring suitable for fork-lift truck loading. Year-round utilization is a plus factor.



BETHLEHEM STEEL's 100-ton, 2,200-cu-ft ballast car, 300 of which have been built for Chicago & Eastern Illinois, features four 45-in. controlled-flow hopper doors furnished by Morrison-Knudsen Co. An additional 50 cars of this design are on order from Milwaukee Road. The unique pendulum-counterbalance hopper doors are designed in such a way that the ballast can be controlled accurately on either the inside or the outside of the rail.

(Concluded on page 46)

Unlimit your loading.

Look at the long clear sweep of this hatch opening. It means clean easy loading, from end to end. One continuous operation without the interruption of carlines. And, Pullman-Standard's trough hatch is available in a choice of widths.

Now look at the big smooth interior. It's Pullman-Standard's new 4750 cubic foot covered hopper . . . with over 100 cubic feet more nominal, actual and usable volume than in the closest comparable curved-side car. Multiply this by miles and you're looking at big added revenue.

In addition, you get lighter car weight, a lower center of gravity, and longer spaced truck centers. And you get them within Plate B clearances.

So why limit your payload and performance? Take a close look at the versatility of Pullman-Standard's new family of covered hopper cars . . . and a long look at increasing your profits.

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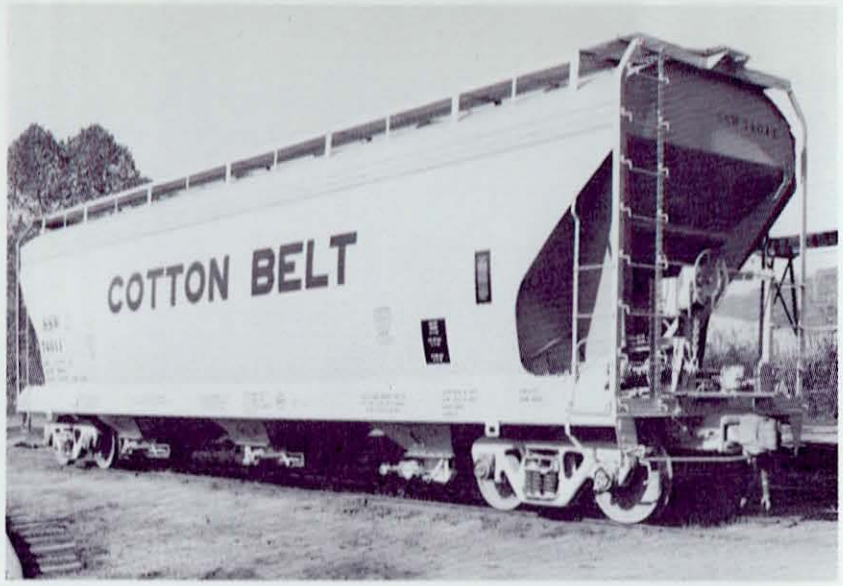
Circle 16 on coupon page 59

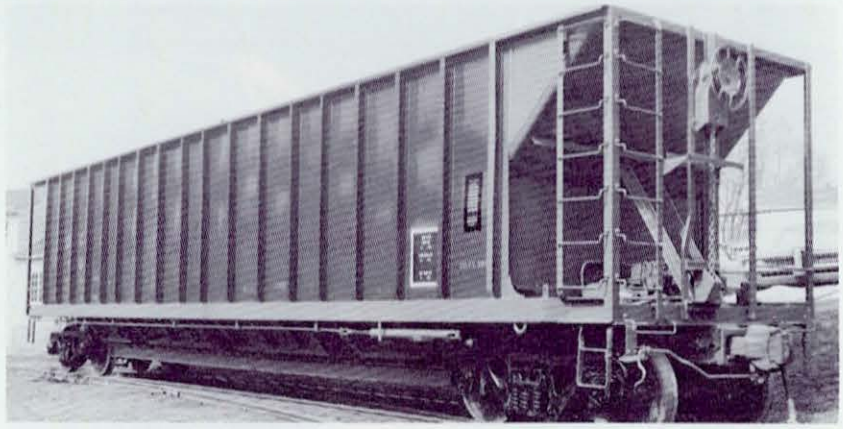
Pullman-

Standard

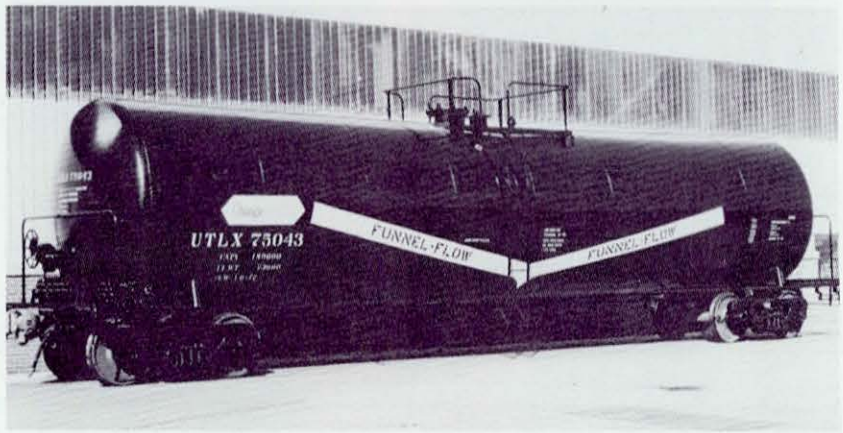
ACF INDUSTRIES' Center-Flow covered hopper car—this one built for Cotton Belt—has no center sill and is designed to promote ease of loading and unloading and use for a wide variety of commodities. This model, 4,650 cu ft, is equipped with gravity/pneumatic outlets for flexibility in meeting a number of different unloading requirements. It's representative of the type of car most in demand in orders placed this year.



GREENVILLE STEEL CAR's Quick-Discharge hopper car for unit-train service will unload 100 tons of coal in eight seconds through two pairs of longitudinal doors operated by a 12-in. air cylinder charged from a reservoir supplied from the engine or an offside source. When doors are open, the bottom area is 25% of the top area. GSCX 1000 has undergone service testing by two railroads since March 1972 and, GSC reports, got high performance ratings.



UNION TANK CAR's 23,500-gallon Funnel-Flow tank car slopes 5 inches over the entire length of the tank (as indicated by the striping on the side) thus assuring complete unloading because there is no flat center ring. Also fitted with Header-Heater exterior half oval heater coils for fast, sure warm-up, plus a 4 in. fiberglass insulation shield, the car is ideal for transporting such commodities as various fuel and lube oils, asphalt, fatty acids.



MARINE & RAIL EQUIPMENT DIVISION/ FMC (formerly Gunderson, Inc.) produced this 125-ton coal hopper car, which is completely automated with bottom-dump doors operated by hydraulic cylinders triggered by an electrical impulse. Designed for a 75-car unit train operating three times daily hauling 23,000 tons of coal between the Black Mesa mine near Kayenta, Ariz., and the Navajo Steam Generation Station at Page, Ariz., these cars will load and unload without stopping. A total of 80 cars will be in the fleet.

Box car problems meet shippers at the door

When Railway Age asked in its April Traffic Poll which types of cars caused shippers the most problems, the response was "box cars," six to one. Is there some light at the end of this particular tunnel? Yes, said most shippers, with some adding that it is not always very bright. If he were the designer, what features would a shipper incorporate in a car that are not now there? The consensus here was generally that railroads need no massive technical innovation, although there were suggestions for double-decking, improved security arrangements, and a general expression of the need for stronger and more easily operated doors.

● **Box car specifics.** Covered hoppers, flat cars, tank cars and gondolas apparently better suit their users than do box cars. The problems meet you right at the door when considering the box car. "The sliding door on the standard box car is a thing from the Dark Ages," says E.B. Kelsey, traffic manager-rail services for Container Corporation of America. "If there is any single improvement needed in the box car, it is in the door and its lock."

"Doors should be lined with a thin, smooth surface material such as plastic or plywood rather than have bare metal which becomes abrasive with use," advises R.E. Marsh, traffic manager-special services for Allied Mills. "There is a definite requirement for an improved locking mechanism; pilferage is the Number One problem today relative to loss and damage. In conjunction with the improved locking mechanism, door rollers should be of roller-bearing type to insure easier opening and closing. Many cars today must be forced open or shut by fork lift equipment or other devices, causing unnecessary damage." Maintenance was suggested by Dana B. Throckmorton, traffic manager of Federal Warehouse Co. "Little is ever done to keep doors sliding freely," he cautioned. "A little grease at times would help greatly but no one looks at them until they are in for major repairs."

Larry W. Smith, manager-traffic, The Upjohn Company, observes that "doors certainly need to be improved—they are difficult to open and close, causing shippers to apply external force which often only compounds the problem by bending or distorting them. More extensive use of the full side doors (used in the mini-max car) would seem advisable." N.C. Kinzmann, traffic manager of Georgia Pacific at Bellingham, Wash., suggests the use of "plug-type doors 15-feet wide."

This opinion is endorsed by Henry M. Karel, director of distribution for Cleo Wrap: "We believe that sliding doors easily become damaged and if the cars to be ordered do have such doors, a single sliding door would be much easier to handle. We feel that new cars should have plug doors which make it easier to open cars and reduce damage upon unloading." Today's box cars cannot withstand switching impacts, according to Lyman McLane, manager of traffic and transportation for Campbell Taggart, who would design to resist this since, he says, "doors tear out of their locks, both loaded and empty."

> "The sliding door on the standard box car is from the Dark Ages."

E.S. Rosenzweig, traffic manager of Longview Fibre, urges that the stability of doors be improved, adding that "plug doors are too light and easily bulged out." He adds that he would put anchor plates on all plug doors for load strapping.

● **Bulkheads.** Moving inside the car, the aspiring designers were figuratively struck by the bulkheads. "Improve the design of the compartmentizer doors so the doors will automatically brake and lock themselves and their handles return to a safe position," advises G.E. Ludlow, supervisor-transportation services, Crown Zellerbach. "Many shippers and consignees release cars with the compartmentizer doors not locked into position and with the handles protruding. The doors swing freely when the cars are moved, damaging both the cars and the bulkheads."

Robert A. Propf, director, transportation and distribution for Geo. A. Hormel & Co., would like "bulkheads which are constantly in a locked position, unless the locking lever is manually held open in order to reposition the bulkheads." "Compartmentizers become difficult to operate; inexperienced personnel often do not realize that locking pins are not properly set," observes P.J. Sullivan, director of distribution for Gerber Products. "Some system of self-lubrication would be helpful on moving parts of locks."

"We have found the DFB cars to be adequately equipped with the present partitions if they are used properly," advises A.N. Wake, manager of rates and traffic for Allied Mills.

The inflatable bulkhead got strong endorsement from a number of the traffic executives responding to the poll.

There was general agreement that DF bars should be an integral part of any car so equipped, making their removal impossible. "Our DF cars never have any bars," complained one traffic manager. Many added that side walls should be contoured so that the DF bars would be inset; "continued use results in the belt rail holes being elongated, causing sharp metal edges to project and damage the lading," explained one transportation supervisor. J.J. Carter, transportation analyst for Lubrizoil, suggests a cushioned car with swing-down second deck and load-securing devices to hold drums, which, he explained, would increase the loading per car.

● **What's good.** What do railroad customers find most satisfactory about recent innovations in the cars they are already utilizing? RA's respondents listed (in order of popularity): Cushioning, sliding bulkheads, plug doors, sidewall fillers, larger cube and Air-Pak bulkheads. The 50-foot, insulated bulkhead car of the RBL (or Grocery Manufacturers' Association) configuration got general approval. "GMA car specifications are excellent," says Grant S. Jackson, general manager of transportation for H.J. Heinz Co. "We use a considerable number of DF and compartmentizer cars shipping paper in rolls, on skids, and in cartons; we could not suggest any changes in the type of equipment we use and need," reports John E. Bellwoar, general traffic manager of Paper Manufacturers Co. "The high-cube paper car has been the most significant new design," answered another poll respondent.

(Continued on page 54)

We just gave birth to our two millionth Samson brake shoe.

That was the figure when we took this photo. By now, you can add thousands more to the total of Samson shoes working for America's railroads in both freight car and locomotive service.

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Even though Samson shoes cost more initially... you quickly start banking savings of 24-54% because Samson lasts up to 2½ times longer than ordinary metal shoes.

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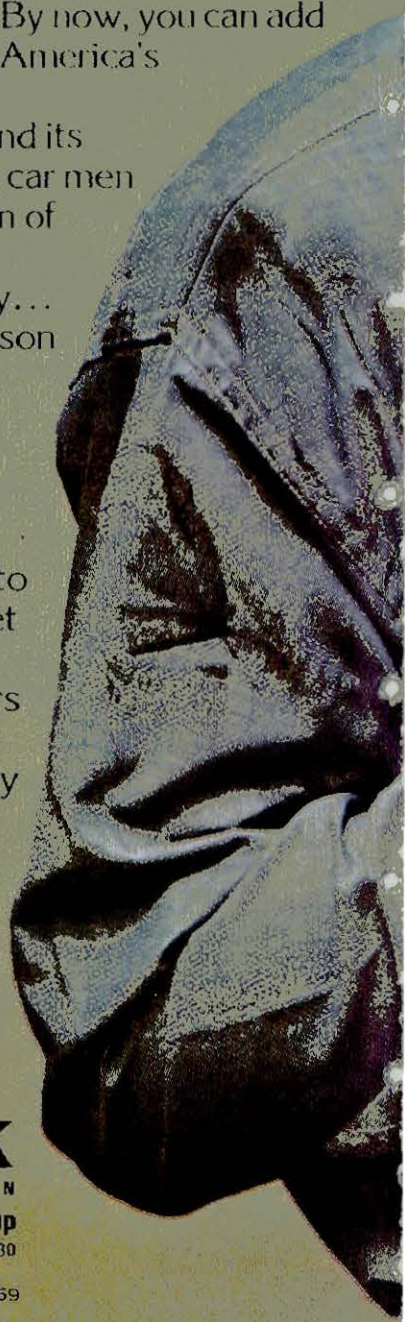

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Circle 17 on coupon page 59

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Even more important, D&H shippers have benefitted from the faster, better managed operations that cTc makes possible.

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3562

Circle 19 on coupon page 59

ORANGE HAULING can be lucrative for the Conditionaire. Here, one of Santa Fe's Conditionaires takes on a load of fruit near Bakersfield, Calif.

Perishables: Bulk shipping pays off

It isn't likely that ACF's Conditionaire Center Flow covered hopper car will ever win any beauty contests. But an increasing number of perishable products shippers with a keen eye for greater profitability through improved vehicular productivity are peering beneath the less-than-attractive elastomeric-coated polyurethane skin of this mechanically refrigerated car and seeing a real thing of beauty.

Today, there are only 161 Conditionaires in service—61 on the Burlington Northern and 100 on the Santa Fe. Although they are few in number, they have logged a lot of miles in all parts of the nation and quite a few perishable products have been test-shipped in them.

● **Most shippers like them.** Generally, those shippers who have tried them, like them. And, for good reasons. For example, a shipper last year was able to save $611 on a shipment of potatoes from California by using a Conditionaire rather than an ice bunker car that could carry only a 50,000-pound load. The Conditionaire, with a load of 180,000 pounds, also outstripped a mechanical reefer car carrying a 75,000-pound shipment, with a total shipping cost per hundredweight of only $2.26, compared with the reefer's $2.41 charge.

Introduced in 1968 in prototype form, the Conditionaire saw its first order the following year—51 cars for the BN. Recently, BN acquired 10 demonstrator cars which ACF had been using to introduce the new concept to railroads and shippers. Santa Fe received its 100 cars last year.

Basically, the Center Flow car is a three-compartment, 4,600-cu-ft covered hopper that is insulated and also fitted with refrigeration and heating systems. Each hopper has a 20-inch by 13-foot roof hatch and a single sliding gravity-type outlet gate, 18 inches by 50 inches. Air, cooled or heated depending on the lading's needs, is forced through the car's hollow side sills into the bottom of the hoppers. Then it circulates through the bulk lading to keep it at the desired temperature level.

● **First, to haul potatoes.** Conditionaire came on the scene initially as a potato transporter, the potato being a logical target for this new concept because it is the number one perishable commodity in terms of shipments and tonnage moved. Every state is a potential shipping point because potatoes grow in every state. Futhermore, they are shipped year around.

Potatoes, however, are not the only commodities that are candidates for Conditionaire shipping. Citrus, especially, offers great promise. And then there are carrots—loose and in cello bags, pears, apples, onions and grapefruit—all of which have been transported at one time or another in Conditionaires. There is some talk now that perhaps a test shipment of lettuce in individual cello bags will be made this year.

● **A big goal: oranges.** Oranges, though, are the things the proponents of Conditionaire-style shipping wish to zero in on. California ships about 25,000 loads of oranges each year by rail. Another 22,000 loads move by truck. A few Conditionaire shipments of California oranges were first tried several months ago with only so-so results. Both the Valencia and navel oranges showed signs of crushing and distortion in the lower portions of the hoppers due to overhead weight.

Since then, prototype baffle systems, made of wood and installed in each of the Conditionaire's hoppers, have been developed and they are showing definite signs of being able to overcome the crushing and distortion problem encountered with oranges. The baffles create a three-tiered compartment in each hopper and they tend to support the fruit. Combine this system with the telescoping fabric loading chute arrangement developed to prevent potatoes from dropping more than a few inches while being loaded, and the orange has a pretty good chance of reaching receiving points in relatively good condition. Santa Fe, for one, is thinking seriously of equipping several of its Conditionaires with permanent baffle systems made of either aluminum or plastic.

Commenting on Santa Fe's willingness to put a sizeable sum of money into Conditionaires—close to $4 million for 100 cars—John P. Bullard, the road's manager-refrigerator department, said: "The ultimate success of any new rail-

road vehicle must be measured in its ability to transport commodities with a minimum of physical damage." In almost three years of testing, Santa Fe was successful in safely shipping numerous loads of potatoes, onions, apples and oranges. Maintaining the temperature requirements for the commodities "has not been a problem," Bullard adds.

● **The utilization factor.** What the Conditionaire concept really needs, says Kenneth C. Dunham, vice president-traffic of Heggblade-Marguleas- Tenneco Inc., one of the nations's major perishable-commodities shippers, is extension of its usage to other commodities beyond potatoes. From his viewpoint, it "cannot be limited to one commodity with three months' utilization." Shippers, too, should be prepared to invest in automated loading systems if they wish to take full advantage of the Conditionaire's profit potential, warns Dunham.

H-M-T, one of the earlier users of the Conditionaire, has invested in the automated loading systems and has benefited from the investment. Normally, about 25% of the nation's commercial potato crop can be shipped in bulk form. Only three men are required to load the Conditionaire, compared with five men loading a "sack" car, says Dunham. Furthermore, the shipper does not have the burden of sack costs and there is the additional incentive in bulk shipping of knowing that a full load won't be rejected by the receiver if a shipment such as potatoes arrives in off condition.

Dunham recalls a case in which a grower delivered a field of potatoes which had some of the tubers infested with black rot. Part of the yield was loaded in a Conditionaire and the remainder in a mechanical reefer car containing 600 100-pound sacks. When the black rot condition was discovered at the receiving point, nobody could be found who was willing to take the time or chance the labor expenditure to separate the bad potatoes from the good ones shipped by sack. On the other hand, the pre-packer merely graded a little harder on the Conditionaire car's load. Unlike the reefer's load which was totally rejected (with no shipping charges collected), at least a portion of the Conditionaire load was salvaged and all shipping charges paid.

There is no doubt in his mind, says Dunham, that "the bulk concept (of shipping produce by rail) is here to stay." Surely it will expand in the area of potato movements, he feels, and the outlook for citrus is very good, although the development of the concept will be somewhat slower here.

● **Better profit picture.** The bulk car with the capability of protecting the perishable load through refrigeration or heating provides, in the words of Santa Fe's Bullard, a "better profit picture for railroads than any other type refrigerator car in service today, when we compare like commodities." Better utilization is what the owners of the Conditionaire would like to see. Expansion of citrus shipment in this type of car would be a big help.

Although it has not been tried yet, there has been talk of shipping three different commodities in a single car: perhaps onions in one compartment, potatoes in another and carrots in the remaining one, all to one eastern food chain.

In fact, there probably are many commodities around, some feel, that nobody has given any thought to so far as Conditionaire-type shipments are concerned.

Of course, if an owner begins to worry about utilization, he can always place the Conditionaire in grain service. Since the car costs may be double that of a conventional covered hopper for grain service, this is not always practical. Nevertheless, this has been done on numerous occasions during the current grain-car shortage and the Conditionaire has performed admirably. ■

Maneuverability and dependability!

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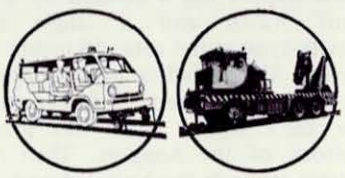
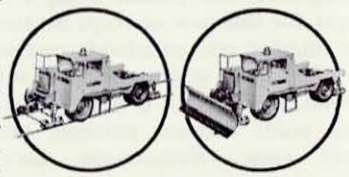


For moving men, materials, equipment

. . . add the versatility of on-rail transportation to your motorized vehicles. Ryd-A-Rail conversion unit models are available for vehicles with GVW ratings up to 60,000 pounds.



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. . . the versatile Shuttle Wagon pushes, pulls loaded freight cars for less than $1.00 per move! In addition to its "switch engine" capability, the Shuttle Wagon may be equipped with optional fifth wheel and snow plow.

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ALSO CUSTOM VEHICLES FOR SPECIAL NEEDS!

Circle 18 on coupon page 59

no matter how you look at it there is just one toilet that stands alone. one toilet that has gained general acceptance world wide. one toilet familiar to all who have ever flown in an airplane, traveled in a bus, sailed in a boat, or lived in a recreational vehicle. the one chemical retention toilet now available, designed especially to recognize the rugged requirements, for all your sanitation needs:

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the Vapor NEWMATIC* toilet, the toilet used by more than 40 railroads become *more* familiar, write**

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VAPOR CORPORATION

*TM Monogram Industries, Inc.
**names furnished on request

Circle 25 on coupon page 59

Watching Washington

REID BEDDOW

THE GORDIAN KNOT

House committee chairmen don't ruffle easily, and it was a visibly calm and collected Rep. Harley O. Staggers (D.-W. Va.) who presided at the House Interstate and Foreign Commerce Committee hearings on the Northeast rail crisis which opened April 16 before an audience of perplexed spectators, worried transportation experts, and confused congressmen. A parade of witnesses presented during the week the views of DOT and ICC on how to resolve the crisis, with several variant proposals not formally heard vying for attention offstage—those of AAR, Sen. Vance Hartke (D.-Ind.), Union Pacific Chairman Frank E. Barnett, and—a last minute entry—Norfolk & Western President John P. Fishwick. The House committee, too, will hear testimony on the Surface Transportation Act proposals of the domestic modes. But STA at this moment is definitely overshadowed by the Penn Central crisis, where events are rushing toward a labor showdown by May 9 and a mid-summer cash shortage. While the very complexity and diversity of the several proposals for a solution did not augur well for legislation pleasing all parties,.cool heads believe a solution will be found and in time. (Though they worry about the unofficial boycott of the House hearings by Pennsylvania Gov. Milton Shapp's representatives and a vista of unending litigation in Federal courts.) AAR's entry into the Gordian knot of solutions (to be filed formally with ICC soon) was the big surprise—reportedly AAR would ask for outright Federal acquisition of Northeast Corridor passenger service at a price tag of $1 billion and Federal subsidies for laid off workers—but it was also apparent that rail unity was being severely strained by the notion of Federal takeover. Thus NW's Fishwick pressed for creation of a quasi-government corporation with $1 billion in government-guaranteed debentures to acquire Boston-to-Washington passenger service, with PC's freight service eliminated where it duplicates those of other lines.

THERE IS NO CHEAP WAY OUT

All sides had news for President Nixon's budgetcutters: there is no way for Uncle Sam to avoid the social costs of restructuring Northeast rails.

There are indications that DOT Secretary Claude S. Brinegar and his principal rail advisor, Ace Hall (who helped set up Amtrak), were becoming persuaded of the necessity for direct Federal aid, though still publicly echoing the DOT party line of a private solution to the problem. DOT prepared for Congress a bill that, in line with its earlier proposals, would establish a quasi-government corporation to provide continuity of service in the Northeast. This corporation, under DOT's new private thinking, would be the vehicle for Federal aid.

DOT also readied for Congress its own STA and deregulatory proposals. (A new worry: American Trucking Associations has warned that it would oppose any "attempt by DOT to piggyback all of its old deregulation schemes onto its plan for Eastern rails.")

In sum, the final shape of the rescue as of now is unclear, but there are definite signs that a compromise of the various plans is in the works—indeed, necessary—and that the compromise will involve large-scale Federal aid.

(Continued from page 47)

Fully half of the rail customers using box cars reported dissatisfaction with the existing plain box car, citing its 40-foot length, the sliding doors, the wood lining, wood floors, and narrow door openings as details that made it less than satisfactory.

● **Affects on other shippers.** Having elicited all these suggestions concerning box cars, Railway Age asked shippers if they felt the features they had just suggested would impair the use of the cars by other shippers and if the additional first cost of the cars should be reflected in higher rates. "No" was the answer on both counts in the majority of cases. A few conceded that special high-cube cars would not be as universally acceptable as general-service equipment. One director of distribution, answering "no" on both counts, added that "railroads would gain more than the shippers. Plug doors would reduce damage claims and high-cube cars would reduce the number of cars ordered by a shipper. Whenever a railroad does something right, they expect to be paid."

Another respondent, answering "no," added that "the cost of additional features should be borne by the carriers, inasmuch as the benefits accruing to them in decreased loss and damage far outweigh additional cost."

"I am concerned," said Walter S. Weart, traffic manager of Tee Pak, Inc., "that the rail car fleet is swinging too far toward specialization. . .General service cars are still suitable for many commodities and I would hope the railroads would still see to it that these always continue to make up a major part of the fleet. If cars get too specialized, they are suitable only for fewer and fewer products."

J. Robert Morton, vice president, transportation and distribution for Combustion Engineering, noted that his firm utilizes high-capacity and specialized flat cars to ship industrial boilers. "For a long time," he continued, "I have felt there should be a means of reimbursing the carriers for costs of special equipment such as we use."

E.H. Duke, manager of shipping and traffic for General Electric at Rome, Ga., seeks 60-foot cushioned flats and decries the necessity of welding, blocking and applying bolts to cars to secure transformers, saying that this reduces rail competitiveness.

James D. Mitchell, assistant general traffic and transportation manager for Coca-Cola USA, reports that the 100-ton Airslide covered hoppers which are used "are the best" but that there is concern for security. J.A. Lynch, general traffic manager for Missouri Portland Cement, reports satisfaction with the pressure-differential covered hopper car, noting that "it would take this type of 'Cadillac' to bring business back to rails from the trucking industry." ■

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Four plans to rescue the Northeast: How they compare

(Continued from page 10)
tinuance of its operations or (2) that a traditional income based reorganization is not foreseeably possible and the accumulation of post-reorganization claims against the bankrupt estate has reached the point of an unconstitutional taking of the property of pre-bankruptcy creditors, and that accordingly the carrier properties shall be liquidated, then in either such event RRFC shall be authorized to loan to such carrier in reorganization, and such carrier shall be obligated to borrow from RRFC, such interim funds as shall be necessary in order to facilitate its ongoing operations as a carrier during the period required for the workout of a solution respecting such carrier by the FNRA. Each such loan shall be evidenced by a note of such carrier under the terms of which, in the case of a clause (2) determination by the reorganization court, RRFC shall be explicitly subordinated to the rights of pre-bankruptcy creditors. Each such interim loan shall be repaid out of the proceeds receivable by such carrier from any sale of its properties to FNRA (and in respect of the Penn Central any sale of the Northeast Corridor properties)."

RRFC's long-term objectives would be "(1) to furnish 'off Federal budget' government credit financing to FNRA in the carrying out under private auspices, on a coherent, coordinated basis, of the public policy objective of rationalizing, rehabilitating and modernizing rail physical plants in the Northeast Region, deemed by the private sector, special interests and government officers working together through the FNRA (as reflected in the Northeast Regional Service Plan) and the Federal government, as such, through the RRFC, to be necessary and desirable in the public interest;

"(2) To furnish a procedural vehicle for one-third Federal and two-thirds State, Regional or Local subsidization of lines of railroad which are to be abandoned as contemplated in the Northeast Regional Plan but which the Federal government believes (through the RRFC) public interest considerations require to be operated as subsidized rail services;

"(3) To furnish Federal 'off budget' credit guaranteed financing to FNRA in aid of its objective of developing new systems of industry-wide rolling stock and other railroad controls."

In presenting the UP plan, Barnett noted that the DOT itself had given "constructive recognition of the need for Federal action to help achieve within the private sector the public interest goals of system restructuring and rail plant rehabilitation in the Northeast." He said the UP proposal had been developed "in the interests of making a further constructive contribution to the final resolution of the problem."

He emphasized that "objectives of the organization [FNRA] would be the retention of the existing economically viable rail systems such as the N&W and the Chessie substantially intact but augmented to the extent necessary to ensure their continued competitive ability; reduction of the overall number of independent systems in the Northeast Region; enhancement of single-line service within the region; and preservation of intrarail competition within the region."

As proposed by UP, FNRA would be governed by 21 directors representing the Federal government, shippers, labor and the railroad industry. Its bonds would be legal investments for government and government-controlled funds.

CLAYTOR ON THE CORRIDOR

Elaborating on his proposal for Federal involvement in the Northeast Corridor, Southern's Claytor observed:

"The question of the precise definition of 'the corridor' needs to be studied. Would it include the New York-to-Albany Hudson River line? Would it include the Philadelphia-to-Harrisburg main line of the Penn Central? But, at least, it would include the present Boston-to-Washington passenger line and it probably should include all the predominantly commuter lines, including branch lines, of not only the Penn Central but of other bankrupt railroads that touch on the area, such as the Reading, the Central of New Jersey, the Erie Lackawanna and the Boston & Maine.

"Now, why do I suggest this? First of all, it has been made quite clear that over 70% of the train-miles on the corridor main line are now passenger, including the commuter trains that run over that line, the Metroliners, the regular Boston-Washington passenger trains, and the through trains to the South and West.

"Regardless of the situation with respect to long distance passenger trains elsewhere, these are plainly needed passenger services. They are really extended commuter services between Washington and New York, and between New York and Boston. And I think that there is no question but that these passenger services will not only be continued permanently but that the need for them will increase and that the number of these trains operated will also increase.

"Second, it is also plain that no privately-capitalized, for-profit company can possibly operate these services. And no railroad that I know of would be willing to try to take these lines over, with this passenger and commuter load, at any price. If this corridor were included in a core system, it would, in my opinion, be a hopeless anchor, dragging down the profitability or even the economic viability of the whole operation. And, of course, as a political and practical matter, the corridor would have to be included in any core system unless some other arrangement is made to take care of it.

"All the passenger and commuter services in the corridor are already subsidized to some degree, but nowhere near adequately in most cases. Almost everywhere, it is now recognized that transit and commuter service has to be provided at public expense by a public authority. That's really what we have here.

"The suggestion that a profitable private enterprise company could take this corridor over and then get fully compensated by Amtrak for the Metroliner and long distance train operations and by the various commuter authorities for the commuter trains is, I think, just plain not realistic."

As for freight now moving on the corridor lines, Claytor said "the long-term solution is. . .to move that through freight service to other parallel lines that are in existence and could handle the load if properly upgraded. The interim solution would be to continue the freight service exactly as it is now under a trackage rights agreement until this shift can take place."

Of overriding importance, said Claytor, is the fact that "purchase of this primarily-passenger railroad by the Federal government—even if it's bought only at net salvage value or leased by the government on the basis of a net salvage value price—would produce for the trustees an immediate and very substantial sum that might well be sufficient to justify them and the bankruptcy judges in going forward with the transfer of other core system properties to a new corporation free of debt and in exchange for common stock of the new company or companies, as the DOT plan contemplates."

Like Barnett, Claytor saw the need for Federal involvement in meeting the labor-protection costs that would be part of any sweeping restructuring of the Northeast: "I see no way to avoid initial funding by some sort of government assistance of labor protection costs arising out of the reduction of plant necessarily involved in the creation of a viable core freight railroad system in the Northeast," he said.

HARTKE-ADAMS*	ICC	DOT	UNION PACIFIC
1. Rail System Rationalization			
S.1031: Federal (DOT) decision as to Interstate Railroad System national in scope based on ICC public hearings. Initially all double main track and CTC. Elimination of parallel and duplicative lines. H.R.4897: None. Simply Federal acquisition of all rail lines of NE bankrupt carriers and of either all or parallel lines of nonbankrupt carriers. (as in S.1031 but without the Interstate Railroad System).	Federal (ICC) decision—as to Federal Aid RR System, initially limited to the Northeast. No public hearings. Elimination of parallel and duplicative lines. ICC may adopt Emergency Restructuring Plan respecting the area served by NE bankrupt carriers providing for joint use, lease, trackage rights, sale, mergers or other unification of rail properties.	Federal (DOT) decision—as to Core Rail Service; new Federal corp. under Presidential appointees as to 1 or more new systems to be created from lines of 6 bankrupt carriers. Total focus on economic viability of "new corp." without regard to impact on healthy systems; continuation of rail competition in high density markets.	Decision by Federally sponsored rail industry owned corp. (FNRA) under joint public and private management as to both service and systems covering all lines in the Northeast, both bankrupt and others. Alternative plans for carrier approval. Balanced focus on profitability not only of "new systems" but of on-going non-bankrupt systems as well. Could transfer NE "Corridor" to RRFC and could create NE switching and terminal entity.
2. Line Abandonments			
12 month freeze—ICC approval still required although on a modified basis (13 months post-freeze max.). State and local agencies may pick up upon 50% maintenance assumption, balance for Federal account.	18 month freeze—ICC approval still required although on a modified basis (13 months post-freeze max.). Automatic approval if revenue does not cover avoidable costs. State and local agencies may pick up upon 30% subsidy, 100% after 3 years.	Service suspension but no abandonment pursuant to DOT Core Rail Service determination. Abandonment of non-system lines following DOT approval of "New Corp." system determination.	Abandonment of non-Regional Plan system lines upon acceptance of FNRA offer respecting Rail System Rationalization. State and local agencies may pick up upon 2/3 subsidy if RRFC picks up remaining 1/3.
3. Plant Rehabilitation, Maintenance and Improvement			
Standards Federally (DOT) determined and applied; mandatory on carrier owned lines; Maintenance to go beyond FRA-RR Safety Act of 1970 requirements. Nationwide compliance within 2 years. Federally guaranteed loans to non-bankrupt carriers (S. 1031 only).	Mandatory standards Federally (ICC) imposed; Beyond FRA-RR Safety Act of 1970 standards as in Hartke-Adams.	Private enterprise, i.e. "new corp." determined; Subject to FRA-RR Safety Act standards. Nothing for non-bankrupt carriers.	Joint Public-Private determination through FNRA as to all ongoing carrier systems in the NE both bankrupt and otherwise. Subject to FRA-RR Safety Act standards. By RRFC as to "essential" subsidized lines.
4. Surplus Labor			
Protective arrangements mandated; cost assigned to rail carriers whose employees will be affected.	No firm recommendations offered—Federal assumption of liability called for in exchange for new labor agreements or failing such, labor to be left to the bankrupt estates.	Adequate protective arrangements to be developed; only specific suggestion assigns financial responsibility to the bankrupt carriers. New corp. to be free of labor burden.	Attrition of (or cash to) surplus labor, to be handled by the ongoing carrier systems; Surplus labor costs financed, as needed, through sale of FNRA Bonds and long term loans to carriers.
5. Compensation to Bankrupt carriers for Lines Acquired			
Debentures, Federally guaranteed, of the Northeast Rail Line Corporation, a Federal entity. All rail carriers and other users (see Item 6 below) to pay 60 cents per thousand gross ton miles of locomotive and train operation for use of Federally owned and maintained rail line.	Fair compensation from other carriers (not specified as to nature) in the event of joint use or lease of lines or facilities or granting of trackage rights or sale, merger, or other unification, all pursuant to Emergency Restructuring Plan as adopted by ICC.	Stock in "new corp."	Cash—just and reasonable compensation—funded through sale of FNRA bonds.
6. Federal Highway Concept, i.e. Shared Use of Rail Lines			
ICC required to grant any (1) railroad, (2) mail, express or LCL carrier, (3) state or local transportation agency, or (4) Amtrak or private passenger carrier, the use of any rail line of the N.R.L. Corp., if in the public interest and if other carrier users would not be significantly impaired.	Same as DOT except limited to rail carriers.	ICC required to grant joint use of facilities to any "petitioner" if demonstrated to be in the public interest.	None
7. Federal Budgetary Impact			
a. Rehabilitation and improvement			
Substantially adverse (Federal appropriations and expenditures)	Substantially adverse (Federal 1% Transportation Tax plus appropriations and grants-in-aid).	No Federal financing (Private investment loan capital to "New Corp.")	Off Federal budget guaranty of FNRA Bonds. (Private investment loan capital).
b. Interim Financing			
None	Federal 20 year subordinated loan to cover for 3 years the operating losses of bankrupt carriers; state and local 3 year tax moratorium.	No Federal financing.	Federal short term subordinated loan to cover operating losses plus state and local taxes.
c. Abandoned service deemed "essential"			
50% Federal and 50% State and local subsidy.	70% Federal and 30% State and Local subsidy for 3 years. Thereafter 100% State and Local.	No Federal financing.	1/3 Federal and 2/3 State and Local subsidy.

*E.R.S. (S. 1031 and H.R. 5822—identical to H.R. 4897)

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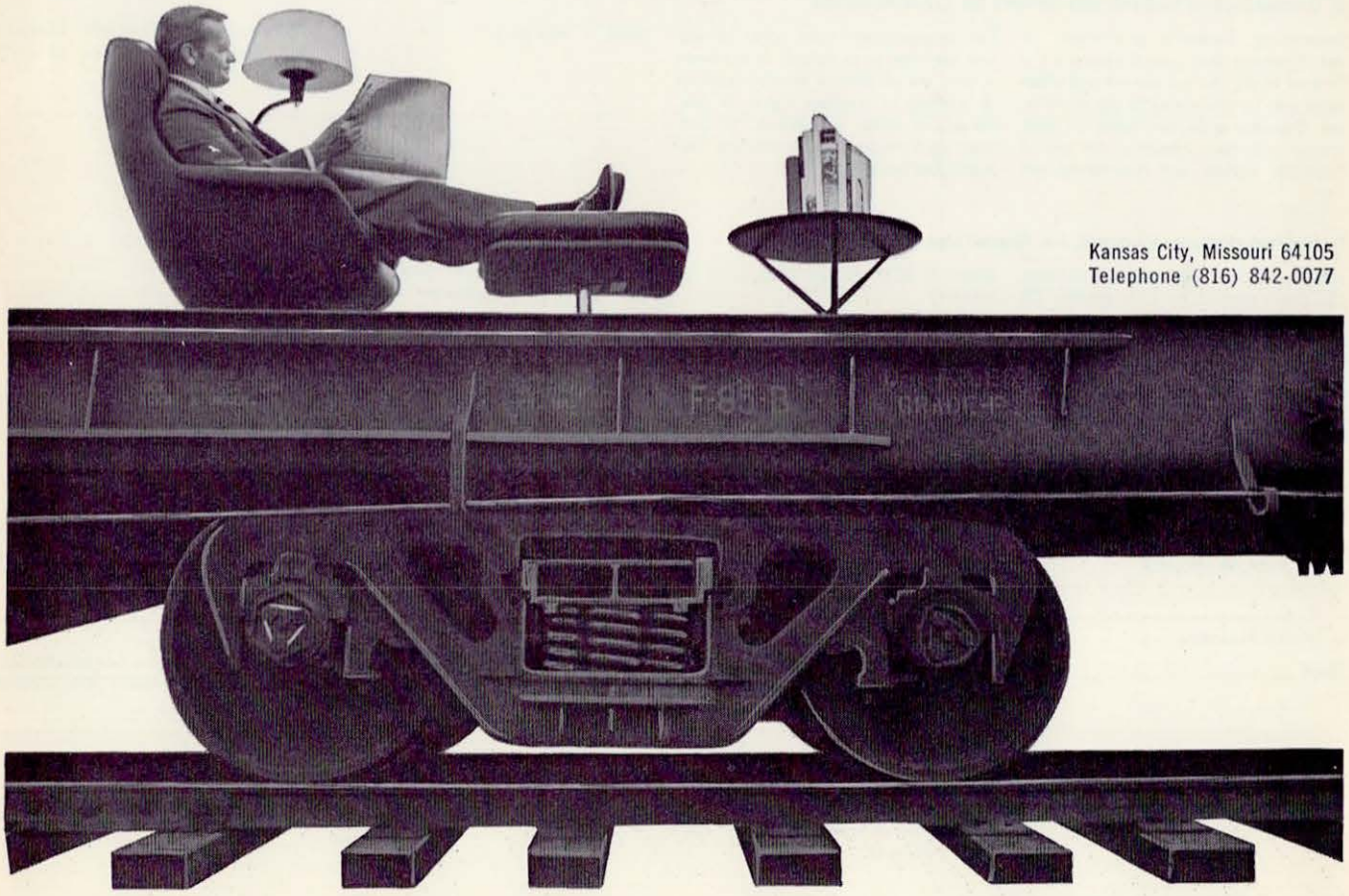

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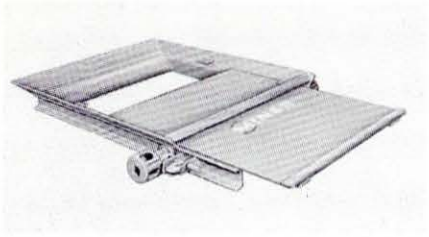
New Products Report



Discharge gate designed for tight sealing

The 24- by 30-inch discharge gate for covered hopper cars features added strength and lighter weight due to new welding and manufacturing techniques. W.H. Miner Division has incorporated a new curve gate seal and a positive bolt-action lock. This gravity slide gate fits all standard car applications and has a rack-and-pinion operating arrangement which may be actuated from either side of the car. The frame has been strengthened.

Circle 60 on reader service card

Night vision system is offered for railroad security application

A passive night-vision system called Star-Tron has been introduced by Smith & Wesson as a crime deterrent for the railroad industry. Star-Tron minimizes the possibility of theft and improves the physical protection of railway cars.

It is a light-intensification system that captures and intensifies available light about 55,000 times. The operator of the system—which looks like a large telescope (see photograph), and which can be mounted on a tripod or held by hand—sees in the dark and a criminal is illuminated by the available light: starlight, or moonlight reflected from a cloud cover. Star-Tron focuses by movement of the intensifier tube rather than by moving the lens. This simplifies use of the system because the only other requirement for operation is activation of the small, self-contained battery by means of a simple switch. An optional binocular viewer permits even easier viewing in all situations as both eyes look into one lens—much like a small television screen.

Various accessories, easily and quickly installed, outfit the system for night photography through use of a relay lens. The photographic attachment takes the place of the eyepiece, but as long as a single lens reflex camera is used, continued viewing is possible. With special mounts, the lens may be coupled to television or motion picture cameras with no loss of clarity or image definition.

Circle 61 on reader service card

Spring-group damper controls carbody motion

The MDA Control/Master, a single-acting, hydraulic damping system, is placed directly in the center of the freight-car truck spring group, taking the place of the coils at that point. This unit, produced by Railroad Dynamics, Inc., represents the newest version of the MDA concept and is the same physical size as the outer coil truck spring. It requires no physical attachment to either the side frame or bolster, being installed as simply as is the conventional truck spring. The unit is designed to control vibration and rolling of carbodies through its damping action.

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NEW LITERATURE

TOILET. A special application of Vapor Corp.'s Newmatic toilet is covered by a bulletin called "Installation, Operating Instructions and Illustrated Parts List." The Newmatic is a self-contained, air operating flush toilet for railroad, rapid transit and bus application.

Circle 70 on reader service card

PERISHABLE COMMODITIES. Printed proceedings of the recent 25th International Conference on Handling Perishable Agricultural Commodities are now available. The cost is $2 per copy; printed proceedings of some past conferences are still available.

Circle 71 on reader service card

PLUG-IN RELAYS. Catalog 69-1 from General Railway Signal Co. describes the J line of plug-in relays. Two types are for use in control and indication systems, logic networks and communication systems. A third type is a general purpose, heavy-duty, neutral relay for handling loads such as fractional horsepower motors, solenoids, lamps and automatic equipment controls.

Circle 72 on reader service card

MATERIAL HANDLING HOSE. A 16-page guide called "8 Easy Steps in Selecting Material Handling Hose" has been issued by the Gates Rubber Co. Charts are used to determine such factors as defining the application, hose diameter, length, hose type, proper tube and cover requirements and correct fittings.

Circle 73 on reader service card

PAYLOAD PROTECTION. Shunk Manufacturing Co.'s line of rail payload protection products is pictured and described in a new brochure. Featured is the Auto-Latch Telescopic Car Cover which uses inertia/momentum to close and latch three-section covers. The cover is designed to permit two-thirds of a car to be open for easy loading and unloading.

Circle 74 on reader service card

TURBIDITY MONITORS. Two booklets—one on a wide range of turbidity monitors and the other on its complete line of flow and sight indicators—have been released by Keene Corp.'s Fluid Handling Division.

Circle 75 on reader service card

ENGINE LUBRICANT. A 4-page brochure describes Mobile Oil Corp.'s third generation railroad engine lubricant, Mobilgard 443. The brochure explains such features of the oil as improved oxidation resistance, sustained alkalinity and improved dispersancy; it also describes product benefits such as cleaner running engines, extended drain periods, reduced maintenance time and extended engine and filter life.

Circle 76 on reader service card

PERSONNEL LIFTS. Complete details on six new hydraulically-powered personnel lifts are included in a Ballymore Co. multi-color bulletin. The bulletin illustrates and describes two families of lifts: Bally/Lifts and Mobile Access Lifts.

Circle 77 on reader service card

FIRST AID KITS. An illustrated bulletin describing type D first aid kits containing individual packages to provide a single treatment for a single injury has been issued by Mine Safety Appliances Co. The kits, available in four sizes, can be transported to any emergency site or they can be mounted on a wall or vehicle by means of mounting brackets.

Circle 78 on reader service card

METRIC CONVERTER. American Koyo Corp. is offering a free pocket-size metric converter to assist design engineers in converting lengths, areas, weights and volumes quickly and easily from the inch/pound system to metrics. The converter measures 8 in. by 3¾ in.

Circle 79 on reader service card

DOCK EQUIPMENT. The Industrial Truck Division of Allis-Chalmers Corp. has published a brochure describing its new line of dock equipment. The line is supplementary to electric and engine powered lift trucks in all popular classifications.

Circle 80 on reader service card

OIL/WATER SEPARATORS. A bulletin describing Hydro-Gard oil/water separators has been published by Inland Environmental. The separators are pre-packaged units ready to install and operate for various types of installations requiring separation of water and other floatables from industrial waste water.

Circle 81 on reader service card

DRAFT GEAR. A full-color, 6-page technical brochure on the Miner RF-444 rubber/friction draft gear has been issued by Miner Enterprises' W.H. Miner Division.

Circle 82 on reader service card

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People

BRITISH COLUMBIA HYDRO & POWER AUTHORITY.—**J.H. Wright** appointed manager of transportation maintenance, lower mainland transit fleet, Vancouver, B.C., succeeding **H.C. Givins,** retired after 38 years' service.

CANADIAN PACIFIC.—**I.B. Scott,** assistant general manager, public relations and advertising, Montreal, has been promoted to general manager, public relations and advertising, succeeding **D.B. Wallace,** who retired at the end of 1972, after 37 years with the company. **R.A. Rice,** manager public relations, appointed assistant general manager (public relations).

DELAWARE & HUDSON.—**Michael J. Gilchrist** appointed assistant manager, industrial development, Albany.

DETROIT, TOLEDO & IRONTON.—**H.E. Beeson,** assistant superintendent equipment, Dearborn, Mich., appointed marketing manager, customer service engineering.

FLORIDA EAST COAST.—Freight Traffic Department appointments announced: **R.W. Herndon,** director, rates & divisions, St. Augustine, Fla.; **J.C. Jones,** assistant director, intermodal services, St. Augustine; **H.W. Smith,** district sales manager, West Palm Beach; **F.V. Miranda** and **Thomas W. Brown,** district sales representatives at Hialeah and Fort Lauderdale, respectively.

GENESSEE & WYOMING.—**Gerald E. Johnson,** auditor of freight accounts, Retsof, N.Y., promoted to auditor of disbursements, succeeding **Kenneth J. Beggs,** resigned. **Patrick J. Crowley,** general agent, promoted to auditor of freight accounts, **Roland Van Allen,** management trainee, promoted to general agent.

MAINE CENTRAL-PORTLAND TERMINAL.—**Scott W. Scully,** general attorney, Portland, Me., appointed general counsel.

NORFOLK SOUTHERN.—In his capacity as assistant vice president-sales, Raleigh, N.C., **M.L. Butterton** has assumed duties as head of the sales department, succeeding **J.E. Andrews,** vice president-sales, retired.

PENN CENTRAL.—**Welborn E. Alexander, Jr.,** senior traffic officer-automotive, appointed assistant vice president-automotive, Philadelphia.

Joseph P. Genova named captain of police at East Syracuse, N.Y., succeeding **Christopher C. Carr, Jr.,** who retired April 1.

RICHMOND, FREDERICKSBURG & POTOMAC.—**Richard L. Beadles,** executive assistant-staff, appointed director of real estate and marketing, Richmond, Va.

Edward R. Martin, Jr., passenger traffic manager, Richmond, appointed administrative assistant, executive department.

ROCK ISLAND MOTOR TRANSIT CO.—**Donald L. Schadegg,** assistant director of sales and traffic, appointed director of sales. **James A. Ripperger,** general traffic manager, named director of traffic.

ST. LOUIS SOUTHWESTERN.—James A.

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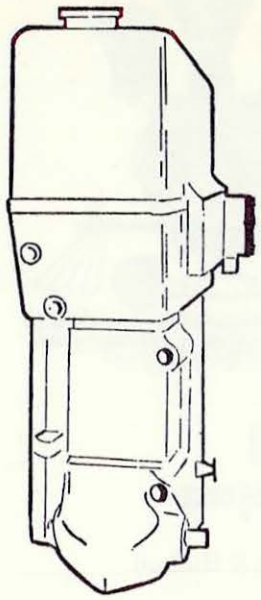

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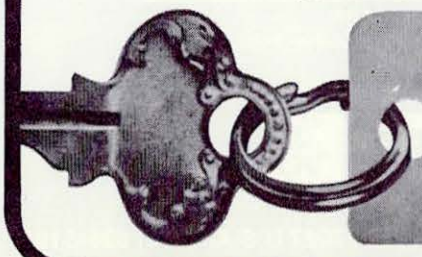

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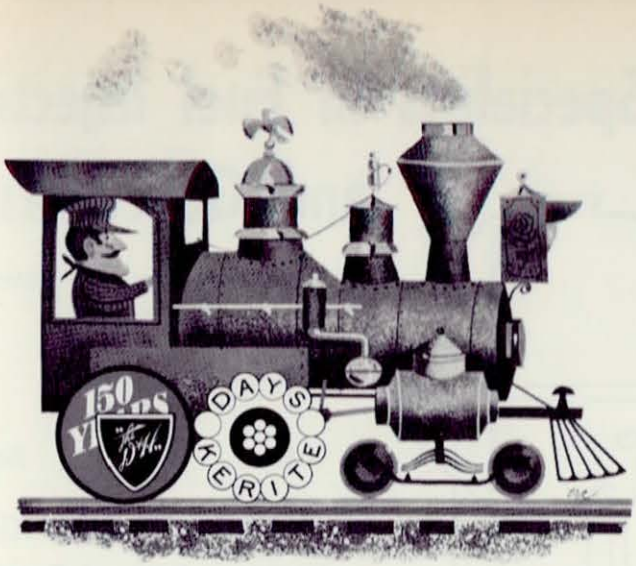

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Circle 24 on coupon page 59

William C. Burk
Santa Fe

Louis V. Tomasetti
GE

Bailey, general freight agent, Tyler, Tex., retired March 31, after 47 years of service. **C.S. Monk** appointed district traffic representative, Dallas, succeeding **W.H. Abernathy,** named western traffic manager, San Francisco.

SANTA FE.—William C. Burk, manager of public relations, appointed vice president-public relations, with headquarters as before at Chicago.

Leo C. McCarney, manager of office administration, office of vice president-traffic appointed assistant manager-pricing, Chicago. **Martha C. Luken,** management trainee-pricing, named pricing coordinator, Chicago.

SANTA MARIA VALLEY.—Richard W.Van Orsdel appointed general freight agent, Santa Maria, Calif., a newly established position.

SEABOARD COAST LINE.—Millard S. Jones, Jr., superintendent, Rocky Mount Division, appointed assistant vice president-operations, Jacksonville. **Edward S. Wilkes,** trainmaster, Rocky Mount, named assistant superintendent, Raleigh Division, succeeding **Henry N. Strange, Jr.,** appointed superintendent, Rocky Mount Division.

D.W. Pope appointed general agent, Albany, Ga.

R.C. Gore, general agent, Memphis, Tenn., has retired after more than 44 years of service.

TERMINAL RAILROAD ASSN. OF ST. LOUIS.—Position of purchasing agent abolished **E.V. Duren,** assistant to president, assumes the responsibilities of that position on an intermim basis.

Louis H. Hatzl named safety officer.

SUPPLY TRADE

Louis V. Tomasetti has been appointed vice president and general manager, Transportation Systems Business Division, **General Electric Co.,** Erie, Pa. He was formerly vice president and general manager, Manufacturing Division, Aircraft Engine Group.

Gerald R. Gonyer has been named administrative assistant to the president, **Farrell Co. Division** of **USM Corp.,** Ansonia, Conn. Mr. Gonyer was formerly vice president and manager of metalworking machinery at Farrel's Rochester, N.Y. facility.

Robert A. Sharp, sales engineer, Chicago sales office, **General Railway Signal Co.,** appointed district manager, St. Louis sales office. **Robert A. Farrier,** office supervisor,

(Continued on page 66)

Market Outlook

CARLOADINGS

Loadings of revenue freight in the week ended April 7 totaled 511,127 cars, according to the Association of American Railroads. This was a decrease of 11,986 cars, or 2.3%, compared with the previous week, and an increase of 15,117 cars, or 3.0%, compared with the corresponding week last year. Ton-miles generated by carloadings in the week ended April 7 are estimated at 15.8 billion, an increase of 6.9% above the corresponding week of 1972.

REVENUE FREIGHT CARLOADINGS

Commodity	April 7 week	Mar. 31 week
Grain	28,525	30,972
Farm products	10,796	10,431
Metallic ores	28,708	22,393
Coal	79,389	89,691
Crushed stone, gravel & sand	27,960	26,745
Nonmetallic minerals	14,792	14,587
Grain mill products	19,835	20,211
Food and kindred products	21,130	22,984
Primary forest products	22,852	22,673
Lumber & wood products (except furniture)	17,190	17,113
Pulp, paper & allied products	22,795	23,382
Chemicals & allied products	31,366	31,427
Petroleum products	9,257	8,853
Stone, clay & glass products	21,652	21,676
Coke	8,693	8,890
Metals & products	26,773	29,090
Motor vehicles & equipment	28,903	29,619
Waste & scrap materials	16,543	17,277
Forwarder & shipper assn. traffic	9,315	9,692
All other carloads	64,242	65,685
LCL traffic	411	477
Total cars loaded	**511,127**	**523,868**
Cumulative total, 14 weeks	1973	1972
	7,055,689	6,651,655
Estimated revenue ton-miles (billions) 14 weeks	219.9	202.0

PIGGYBACK LOADINGS

U.S. piggyback loadings for the week ended Mar. 31 totaled 31,102 cars (30.5% above the corresponding week last year) and 52,951 trailers or containers (up 31.7% from 1972). Cumulative volume for the first 13 weeks of 1973 is 369,344 cars (up 19.4% from last year) and 12.4% above the first quarter of the record piggyback year of 1969. A record high of 634,415 trailers or containers were loaded during the first quarter of this year, 22.2% over the comparable period of last year, when U.S. railroads set a yearly record for loadings of trailers or containers, and 17.7% over the previous first quarter record, set in 1969.

IN CANADA

10 days ending	Tons of Revenue Freight	Cumulative Totals
Mar. 31, 1973	6,256,465	53,218,868
Mar. 31, 1972	5,608,166	46,503,658

● *Canadian National.*—Ordered an additional 200 70-ton bulkhead flat cars from its Transcona shops at a cost of $3.5 million.

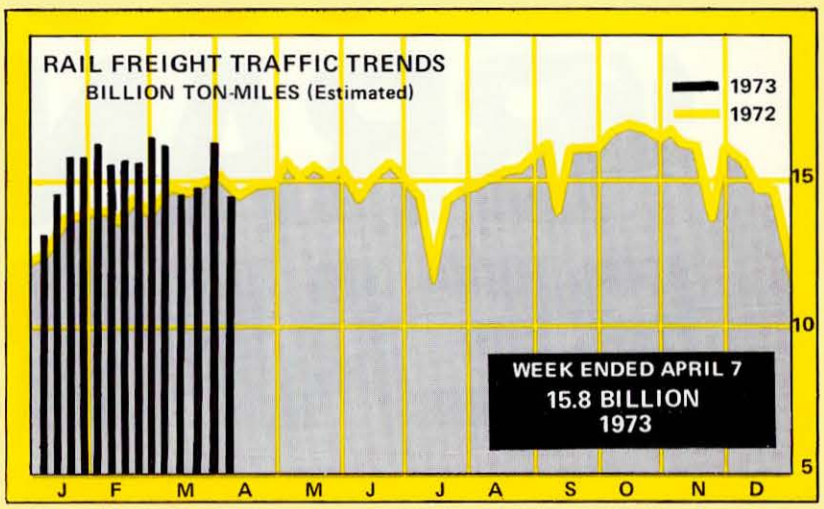
● *Frisco.*—Awarded a contract to Farinon Electric Co. to engineer, furnish and install a 987-mile space diversity, online protected microwave system that will include terminals and repeaters at 35 locations. The $3-million system, scheduled for completion in January 1974, will extend from St. Louis to Tulsa, and from Kansas City to Birmingham. Voice, data and ctc circuits will be handled.

● *Norfolk & Western.*—Ordered 100 50-ft box cars from Pullman-Standard at a cost of $2.5 million. Delivery is scheduled for September. NW also has ordered 1,000 sets of roof parts from P-S at a cost of $916,000, and 8,000 cast steel wheels from Abex Corp. at a cost of $861,000. The equipment is for 1,000 jumbo covered hoppers to be built in NW's Roanoke, Va., shops (RA, March 12, p. 49).

● *Queensland Government Railway.*—Ordered three automatic electronic weigh-in-motion-coupled scale systems of Railweight, Inc. Value of the order is approximately $250,000. The new installations will be supervised by Railweight's Australian agent, Evans Deakin Industries, Ltd.

● *Santa Fe.*—Awarded contract to Holland Company's Railweld Division for constructing rail-welding lines and materials-handling equipment at its new $5.2-million welding plant near Amarillo. Mathews conveying equipment will be supplied by the Materials Handling Division of Rexnord, Inc.

● *Washington Metropolitan Area Transit Authority.*—Westinghouse Electric has received a $13.4-million contract for 100 electric stairways for the second phase of the Washington, D.C., Metro system. It is said to be the largest single electric stairway contract ever awarded. Also, Standard Steel (a division of Titanium Metals), has received a $1-million-plus contract to build and supply 300 carsets of mounted wheel assemblies for cars being built for WMATA by Rohr Industries. The contract was awarded by Rockwell International's Transportation Equipment Division.



Source: Association of American Railroads

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Circle 26 on coupon page 59

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Howard R. Thorp
Servo

Robert W. MacDonnell
Transpo Co.

(Continued from page 62)

Chicago Office, has been appointed sales engineer, Chicago Office.

Howard R. Thorp, director of international operations, **Servo Corp. of America,** Hicksville, N.Y., has been elected vice president-marketing.

Transpo Co. has been formed to manufacture railway freight car components. **Robert W. MacDonnell,** formerly vice president of engineering, **Unity Railway Supply Co., Inc.,** is president of the new company, which will have agents in Cleveland, Montreal, Jacksonville, Fla., Philadelphia, San Francisco, Chicago, St.Louis, Omaha, St. Paul and Richmond,Va.

The **Mannix Maintenance of Way Division** of **Mannix Construction, Inc.,** Minneapolis, Minn., has signed a sales representative agreement with **Zeal Corp.,** Excelsior, Minn., whereby Mannix will act as Zeal's exclusive sales representative to the railroad industry on a national basis.

Ted Tripp has been named national sales manager, **Intermodal Transportation Systems, Inc.,** Hoboken, N.J. Mr. Tripp was formerly vice president of sales for Miller Trailers, Bradenton, Fla.

Dow Morris has been appointed sales consultant, **Union Switch & Signal Division** of **WABCO,** Houston, Tex. Mr. Morris was formerly assistant signal engineer, **Southern Pacific,** Houston.

Dr. A.T. Yu has been named chairman and president of the newly formed **Orba Corp.** West Caldwell, N.J. **Narragansett Capital Corp.,** Providence, R.I., is a major stockholder in Orba, an engineering-construction-operating facility to serve mining, metals, utilities, transportation, chemical and construction industries in all areas of bulk materials handling.

OBITUARY

J. Kenneth Brooks, district sales manager, railway sales division, **Texaco, Inc.,** San Francisco, died Mar. 17, two days before his 62nd birthday.

Paul Gross, Jr., 84, retired vice president and secretary **Railway Express Agency,** New York, died Mar. 24 in Highland Park, Ill.

Elmer A. Krause, 65, vice president transportation sales, **Adams & Westlake Co.,** Elkhart, Ind. died Mar. 28 in General Hospital there.

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Viewpoint

The car shortage: Facts vs invective

If you want publicity—and if, perchance, there's just a bit of the demagogue in you—just mention four words: Railroad. Freight. Car. Shortage. It's getting great mileage, wherever it's tried.

Furthermore, if, somehow, you can get away with the charge that these giant corporations—railroads, that is—are raping the "little people," you've really got it made. Newspaper space. Television time. Facts? Worry about them later. And then only if you're challenged by somebody who has a few.

This kind of horsing around with accuracy tends to take place when car-availability figures show a shortage instead of a surplus. It happens in Washington, it happens in state capitals, it happened recently in Chicago—and what happened there was that (1) a number of governmental agriculture experts from the Midwest got together, (2) railroads weren't represented because they weren't invited, (3) the governor of Illinois got a lot of media space and time, and (4) the railroads came off losers.

This sort of nonsense may make good theater. But it doesn't do much for the cause of good transportation.

So, on the theory that a fact is meant to be faced, let's face just a few facts:

—Freight cars *are* in tight supply. Demand *is* at a peak. Not all the freight that should be moving *is* moving. Especially grain. Maybe it's going to move, but it's not all moving at the time the man who wants to move it can move it.

—Freight-car utilization is also at a peak, though hangups at the ports on the export grain movement have boosted car turnaround times up to figures that make a car distributor shudder. Intermediate yards and terminals, some of them, are also getting clogged.

—Freight-car orders are also at a peak, at least for the post-1966 period. And most of these orders are for covered hopper cars—the single type of car most in demand for the grain traffic.

What, you might ask, do the politicians want railroads to do? Well, it would seem—once again—that they want railroads to be prepared for anything, any peak, any situation. And, as any cynic knows, any politician has that gift of retrospective foresight that permits him to waggle an admonitory forefinger at the poor business manager who has nothing but the revenue-and-expense sheet, the balance sheet, and sound business forecasting to go on.

GOOD JOB, BAD HEADLINES

Government, at all levels, ought to back off and take an honest look. Government ought to realize that:

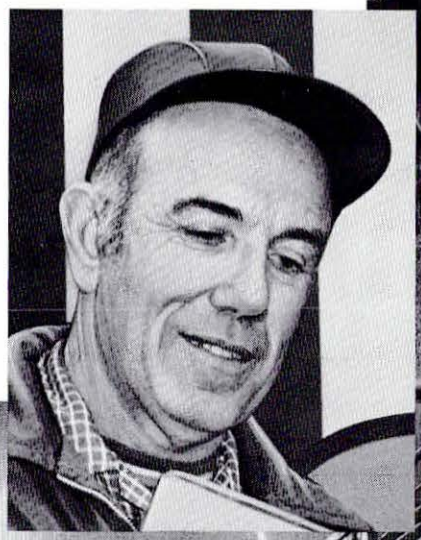
—The holiday weekend doesn't come every week. Ever look at the jam at O'Hare field just before Thanksgiving?

—Government itself has done as much as anybody to keep railroad car-buying at a low level. Yes, there is the investment tax credit. But there has also been the on/off consideration of STA. And delay, denial and deduction on rate proposals. And the same for abandonment plans.

—While revenues may be climbing, at record traffic levels, costs also go up. Government does a better job of holding down the former than the latter.

All this probably doesn't prove much. Except that, when *everything* is considered, railroads are doing one fine car-supply job. But that doesn't grab headlines or TV time, does it?

IF WE DIDN'T HAVE PAUL BACHTOLD, DON THOMAS, AND JIM ERICKSON, WE'D BE JUST ANOTHER RAILROAD.



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We're the railroad that can handle it.

We can handle it.

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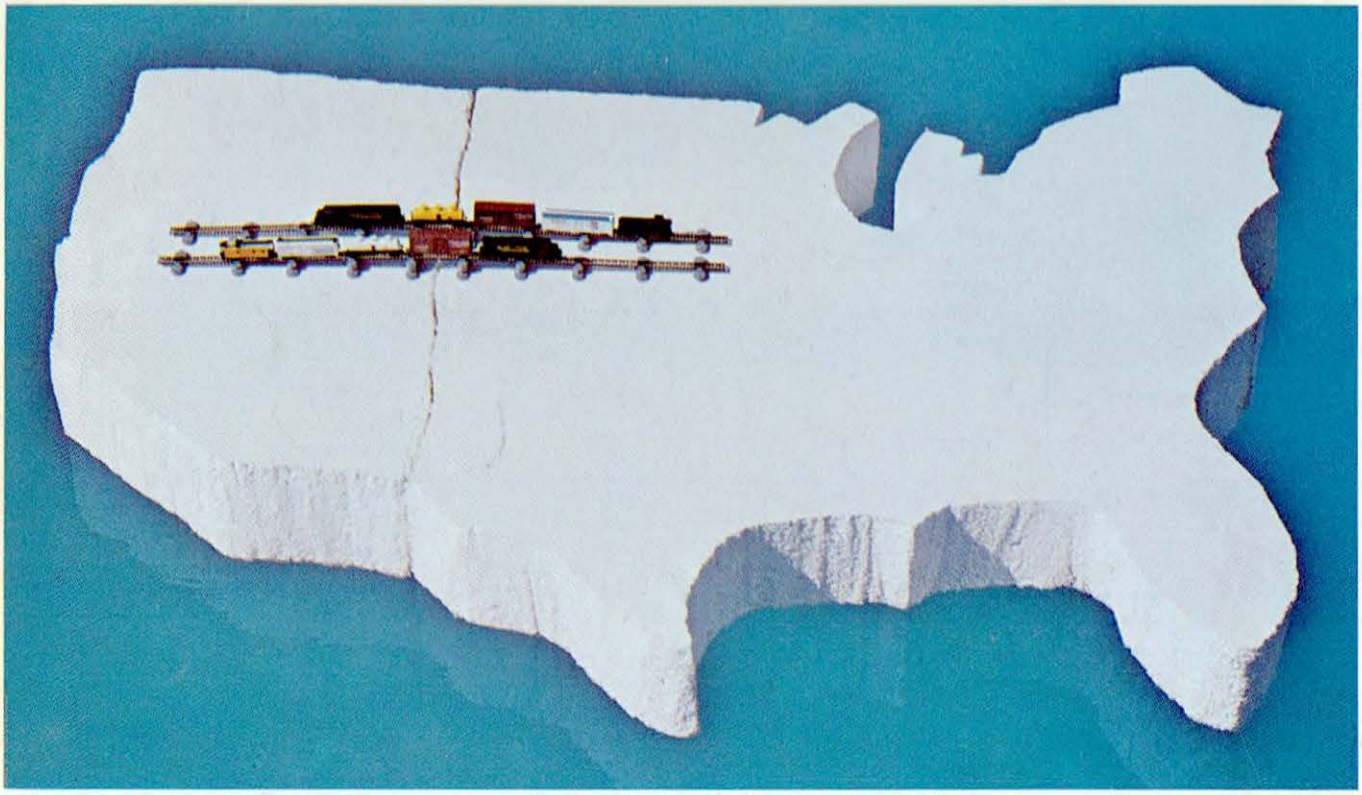

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